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No 117

Legation of the United States
Peking February 1st 1883
Mr Young to the
Secretary of State.
Subject
Tonnage dues on cargo
boats

Synopsis.

Mr Young presents the complaint of American merchants at Shanghai in reference to the alleged injustice of certain tonnage dues imposed upon cargo boats

boats at Wooeung. It is contended that Wooeung not being an open port, but a part of Shanghai, such an import is not in accordance with the treaties. Mr Young, approving this view, reports that he has brought the subject to the attention of the Chinese authorities who promise to give the matter their attention.

No. 114 One Enclosure.

Legation of the United States
Peking, 1st February, 1883.

The Honourable
Fred'k T. Frelinghuysen
Secretary of State.

Sir,

1/114.

A question has arisen as to the rights of the Chinese authorities to levy tonnage dues upon cargo boats in the port of Woosung.

Under the treaty Woosung is not regarded as an open port, but as a part of Shanghai. It

is

is a town upon the bank of a creek which enters the Shanghai river at a point above the landmark named as the only limit of the port of Shanghai. The treaty port of Shanghai is divided into two parts, one the anchorage for shipment and discharge of cargo, and the other the port proper. There seems to be some confusion on the subject, on account of the vague and careless construction of the treaties, and the Legation is now in correspondence with the foreign office in the hope of arriving at a fair understanding.

In

In the meantime it was deemed expedient to explain to the foreign office, what we regarded as the rights of American merchants under the treaty. I hold myself ready to accept any explanation from the government which even if it should limit our privileges, will enable us to come to a just and equitable agreement.

I have the honour to be,

Sir,

Your obedient servant

Thos. Russell Crampton

Enclosures.

Enclosures.

1. Mr. Cheshire to Mr. Young.

No. 134. December, 29th, 1882.

Mr. Cheshire to Mr. Young.

No. 135 January, 2nd, 1883.

Mr. Young to Prince Kung.

No. 4/1883. January, 24th, 1883.

Prince Kung to Mr. Young.

No. 6/1883. January, 24th, 1883.

Copy.

No. 134/ Despatch 117
Enclosure 1.

Mr Chesnire to Mr. Young.

Shanghai Decbr 29th 1882.

Sir

I have the honor to enclose a copy of a communication which I have received from E. G. Low and H. D. C. Forbes, Directors of the Shanghai Cargo Boat Company, in reference to a notification issued recently by the Commissioner of Customs at this port in the matter of levying tonnage dues on Cargo Boats plying between this and Woosung and vice versa on and after the 1st of January nexte.

I am etc.

sig/: J. D. Chesnire.

Enclosure:

No. 1 Directors of the Shanghai Cargo Boat Association to Mr. Chesnire.

Copy.

Despatch 134
Enclosure

Directors of Shanghai Cargo
Boat Coy. to Mr. Cheshire

Shanghai Decbr 27th 1882.

Sir

On the 15th instant the Commissioner of Customs at this Port published an official Notification in the "North China Daily News," declaring that in accordance with a Supplementary Convention concluded between Germany and China, Woosung is to be considered as an open Port on and after the 1st of January next, and declaring that Cargo Boats engaged in lightering Cargo to and from vessels there will have to be registered at the Customs and

pay

pay tonnage dues once in every four months, at the rate of four mace per ton if more than one hundred and fifty tons burden, and of one mace per ton if not more than one hundred and fifty tons burden. We have also received an official letter from the Commissioner of same date, calling upon us to register and pay tonnage dues on the Cargo Boats so employed.

In the British Treaty of Tientsin of 1858 Article 31 reads 'No tonnage dues shall be payable on Boats employed by British Subjects in the conveyance of passengers, baggage, letters, Articles of Provision, or other articles not subject to duty between any of the open Ports. All Cargo Boats however, conveying merchandize subject

to

to duty shall pay tonnage dues once in four months at the rate of one mace per register ton. The United States Treaty of 1858 makes no mention of Cargo Boats.

It is clear that by the above Article of the British Treaty it was never contemplated levying tonnage dues on Cargo Boats employed at any Port in merely lightering cargo to and from vessels, but it was intended to provide that Lorchas or other small craft engaged in carrying cargo from one open Port to another should pay the regular tonnage dues.

All cargo lightered to and from vessels at Woosung is at an extra expense to all concerned, because vessels are unable to cross the bar. And as all vessels so loading or discharging cargo have themselves paid tonnage dues the cargo will be taxed

twice

twice over if the Cargo Boats employed have also to pay duty.

Very short notice of this important change has been given us by the Commissioner of Customs, and as, in ignorance of same, we published a revised Tariff on the 1st November last reducing the charge on Cargo Boats employed at Woosung, we shall now incur extra and heavy expenses for which no provision has been made.

In order that we may be able to carry on our business, we have been obliged to consent to having our Boats measured and registered by the Customs Authorities, and shall, on and after the 1st January next, pay tonnage dues on such Boats as we are compelled to employ at Woosung, in accordance with the Commissioners

Notification

Notification, but we have consented to do so under protest.

We have now respectfully to request that you will please lay the particulars of the Case before the Minister at Pekin, with the view of getting his opinion on it, and his decision as to whether or not our Cargo Boats should be liable for Tonnage Dues according to the Customs Notification.

For your information and guidance we may mention that we believe that a similar notification to levy tonnage dues on Cargo Boats employed between Foochow and Pagoda Anchorage was issued by the Customs at Foochow a few years ago, and on being appealed against, and the matter referred to Pekin for settlement, it was not enforced, never has been

been, and has presumably been cancelled.

We have officially informed the Commissioner of Customs that we have placed the matter in your hands for reference to Pekin, and have requested him to notify this to the Inspector General of Customs, so that the matter may be definitely settled by the authorities there.

We are etc.

(sig.): E. G. Lord.

(d.): H. D. C. Forbes.

Directors Shanghai Cargo Boat Comp.

Copy.

No. 135/.

Mr. Cheshire to Mr. Young.

Shanghai, January 2nd 1883.

Sir,

Referring to my former communications to you in regard to the notification recently issued by the Commissioner of Customs at this port, to the effect that on, and after the 1st January all cargo boats engaged in loading and discharging cargo at Woosung would be obliged to pay tonnage dues etc. I now have the honor to further address you in this matter, and to enclose a copy of another communication upon the subject, which I have

have received from Mr. John F. Seaman an American citizen and J. M. Ringer — Directors of the Cooperative Cargo Boat Company of this port. In my previous — communication I refrained from expressing any opinion upon the subject, owing to press of business, and not — having had time to thoroughly consider it. There are a few points however which I think are worthy of consideration, as they appear to show that the new regulation is in — conflict with existing ones, which have been in force many years. Woosung has hitherto been recognized by the Chinese Authorities, as well as the foreign Authorities as part of the Port of — Shanghai and a proof of this

this I need only call your Excellency's attention to a copy of a notification issued by H. E. Chaou on the 25th. of June 1855 enclosed herein, 2/ where reference is made to 'the regulation now in force.' (i.e. those issued in November 26th. 1846) You will observe in the article under the heading of Foreign shipping, that Woosung is included as part of the port of Shanghai.

The article reads:

1st. 'The Port. - The limits of the Port are defined by the Port Regulations dated Novbr 26th. 1846 within the lines formed by Paoushan Point, bearing west, and the battery on the right bank of the mouth of the river below Woosung, bearing south-west etc.' I have no

knowledge

knowledge of this regulation ever having been abrogated.

Article VII of the United States Treaty of 1844 reads.

'No tonnage duty shall be required on boats belonging to citizens of the United States, employed in the conveyance of passengers baggage, letters, and articles of provisions, or others not subject to duty, to and from any of five ports, all cargo boats however, conveying merchandize subject to duty shall pay the regular tonnage duty of one mace per ton provided they belong to citizens of the United States, but not if hired from a subject of China.' It is obviously clear to my mind that from the above article, refer only to cargo boats plying between

treaty

treaty ports, for if such is not the meaning of the text it seems strange that for many years, in fact ever since the opening of the port to foreign trade, no tonnage dues have ever been collected on cargo boats plying at the water's of Shanghai.

Then again there is a large Chinese interest in the Cargo Boat Companies in Shanghai, and it does not appear from the wording of the article of the Treaty referred to that the Chinese Government ever intended to levy any dues at all on boats in which natives are interested.

I have the honor etc

(sig.): F. D. Cheshire.

Enclosures:

No. 1. Notification by H. E. Chaou.

" 2. Letter from Cargo Boat Co. to Mr. Cheshire.

Copy.

Despatch 135
Enclosure

Cargo Boat Company
to Mr Cheshire.

Shanghai, 29th Decbr 1882.

Sir,

We have received an official notification from the Commissioner of Customs at this port, that on and after the 1st January 1883, all Cargo Boats engaged in loading or discharging Cargo from vessels at Woosung would have to pay Tonnage Dues every four months of Four Mace per ton if more than one hundred and fifty tons burden and of one mace per ton if not more than one hundred and fifty tons.—

In the British Treaty of Tientsin

Tientsin of 1858 Article 31 reads: "No tonnage dues shall be payable on boats employed by British subjects in the conveyance of passengers, baggage, letters, articles of provisions, or other articles not subject to duty, between any of the open Ports.
All Cargo Boats however conveying merchandize subject to duty shall pay tonnage dues once in every four months at the rate of one mace per register ton."
The United States Treaty of 1858 makes no mention of Cargo Boats.—

It is clear that by the above Article of the British Treaty it was never contemplated levying tonnage dues on Cargo Boats employed at any Port in merely lightering Cargo

Cargo to and from vessels, but it was intended to provide that Lorchas or other small craft engaged in carrying cargo from one open Port to another should pay the regular tonnage dues.—

All Cargo lightered to and from vessels at Woosung is at an extra expense to all concerned, because vessels are unable to cross the bar.- And as all vessels so loading and discharging Cargo have themselves paid tonnage dues, the Cargo will be taxed twice over if the Cargo Boat employed have also to pay.-

In order that we may be able to carry on our business we have been obliged to consent to having our Boats measured and registered by the Customs Authorities, and shall, on and after

after the 1st January next,
pay Tonnage dues on such
Boats as we are compelled to
employ at Woosung, in accordance
with the Commissioner's —
Notification, but we have only
consented to do so under protest. —

We have now respectfully
to request that you will please
lay the particulars of the case
before the Minister at Peking
with the view of getting his —
opinion on it, and his decision
as to whether or not our Cargo
Boats should be liable for —
Tonnage Dues according to
the Customs Notification.

For your information
and guidance we may
mention that we believe that
a similar notification to
levy tonnage dues on Cargo
Boats employed between
Foochow and Pagoda —
Anchorage

Anchorage was issued by the Customs at Foochow a few years ago, and on being appealed against and the matter referred to Peking for settlement, it was not enforced, never has been, and has presumably been cancelled.—

We are etc.

(sig.): John. F. Seaman.

(" .): F. M. Ringer.

Directors of

Cooperative Cargo.

Boat Company.

Copy.

Office of Maritime Customs.
Shanghai, 25th June 1855.

His Excellency Chaou
Superintendent of Customs, —
having deemed it expedient to
issue a notice of the Regulations
now in force, for the benefit of
the Chinese population concerned,
has at the same time requested
the Inspectors to publish the
same for the more complete
information of the Foreign
community.

In accordance with the
subjoined Consular Notification,
the Office of Maritime —
Customs, under charge of
Inspectors appointed by
the Chinese Superintendent
of Trade, was opened on the
12th July 1854.

Notification.

Notification.

Shanghai, 6th July 1854.

The undersigned Consuls of Three Powers possessed of Treaties with China, having reference to their Notification of the 9th May, respecting the abandonment of the Custom-house at this Port by His Excellency Woo, Taoutai, and the establishment of two in the Interior in lieu thereof, as announced in a Circular to the Consuls, do hereby publicly Notify to all residing under their respective Jurisdiction the withdrawal of the Inland Custom-house Stations and the re-organization of the Custom-house Administration, with a board of Inspectors, and upon a

basis

basis which it is hoped will ensure thorough efficiency. Consignees of all vessels entering or departing on or after the 12th. instant will be required to report the same to the Custom-house on the Soochow Creek, where the duties will for the present be collected in strict accordance with Treaty provisions.

His Excellency the Taotai and Superintendent of Customs having officially communicated to the undersigned his determination with the assistance of a Foreign Establishment, to give the most complete execution of the Treaty provisions for the equal collection of duties, and in all cases of fraud or irregularity rigorously to enforce the penalties; it will behove all Masters and Consignees of

Vessels

Vessels in their own interests, to observe the greatest care in the observance of the Custom-house Regulations, a copy of which, subject to such modifications as may from time to time be announced, is annexed for general information.

Masters and Consignees of Vessels already in harbour on the 12th inst. will in like manner be required to put themselves in communication with the Custom house, and conform to the regulations in such manner as the Inspector of Customs may require.

(sig.): Rutherford Alcock H.B.M's Esl.

(s.): Robt C. Murphy Consul U.S.A.

(s.): B. Edan H.I.M's Esl ad interim.

To the Foreign Community
Shanghai.

Foreign

Foreign Shipping.

1.- The Port.- The limits of the Port are defined by the Port Regulations, dated — November 26th 1846, " within the lines formed by Paodishan point bearing West and the battery on the right bank at the mouth of the River below Woosung, bearing South West." All vessels landing or receiving cargo from shore outside the boundary line are by Treaty liable to confiscation with their cargo.

Copy.

No 4/1883.

January 24th. 1883.

Tonnage Dues on Cargo-Boats.

Mr Young to Prince Kung.

The Undersigned presents his compliments to His Imp. Highness and their Excellencies the Ministers of the Yamên.

The Legation is informed by the Vice Consul General at Shanghae, that Messrs. E. G. Lov. H. D. C. Forbes and J. F. Seaman, American merchants have been requested by the Customs officials to pay tonnage dues upon cargo-boats that lighter vessels at Woosung.

There is a plain stipulation in the treaties that cargo-boats shall only pay tonnage dues when

when plying between the treaty ports. Woosung is not a treaty port, but a part of the port of Shanghae. This is written in the treaties, has been so officially accepted and recognized in published documents by the Chinese authorities, and as a consequence tonnage dues have never been collected in the waters of Shanghae.

Y. I. H. and the ministers of the Yamen will readily see, therefore, the impropriety of a rule which is not only based upon a misconception of the position assigned to Woosung in the treaties, but is an obvious disadvantage to all commercial interests in Shanghae.

I have therefore the honor to request that orders may be sent to the Superintendent of

Customs

Customs at Shanghae — explaining to him the rights of American merchants under the treaty, and instructing him that it is a violation of the treaty to levy tonnage dues on cargo-boats engaged in shipping and landing cargo within a port. — This will be confirming the action taken by the Yamen in 1880, - when the same question arose, between your government and H. B. M. Legation as to cargo-boats in the waters of Foochow and Chefoo. —

The Undersigned avails himself etc.

(sig.) John Russell Young.



Copy.

No 6/1883

Prince Kung to Mr. Young.

Peking, January 27th 1883.

We have had the honor to receive your Excellency's note in which you state that according to a report from your Vice Consul General at Shanghai, several American Merchants had represented to him that the Customs at Shanghai had demanded Tonnage Dues on lighter vessels at Wusung. Y. E. remarks further that until now lighter vessels in the Shanghai waters had never paid Tonnage Dues, and you request us to send the necessary instructions in this matter to the Taotai of Shanghai.

We shall at once write to the

the Taotai of Shanghai and to the Inspector General of Customs and ask them how the matter stands, and order them to report to us about it.

As soon as we shall have received their replies, we shall not fail to write to you again; for the moment, we have the honor to send you this preliminary answer.

We avail etc:

Cards from the Ministers of the Tsungli Yamên.

True Translation

(sig.): C. Arendt.

No 118.

Inclosure in Legation of the United States Peking, February 2nd 1883

Received at Washington Apr. 23 1883 Carter

Mr Young to the Secretary of State

Subject.

The tariff on soft wood planks

Synopsis

An American firm in Shanghai reports that the customs have, in violation of the treaty, imposed an arbitrary and unjust tax upon

upon "soft wood" planks.
Mr Young informed the
Department of the measures
taken by the Legation to
have this irregularity
corrected., Admitting that there
may be some justice in
the Chinese claim to increase
this impost, Mr Young
expresses the hope that the
result of pending
discussions will be to attain
an equitable understanding

No. 118 Two Enclosures.

Legation of the United States.
Peking, 2nd February, 1883.

The Honourable,
Fred'k T. Frelinghuysen
Secretary of State.

Sir,

Messrs Pioneer &c.
American merchants doing
business in Shanghai have
complained to the Legation in 1/118.
reference to a notice issued by
the Customs Authorities raising
the duty upon "soft wood" planks.
They contend that the advance is

not

not in accordance with the treaties.

Similar remonstrances have been made to the German, English and Japanese Legations.

I thought it best to unite with my colleagues in a joint note to the foreign office — opposing this new impost. A copy of this note I enclose.

2/118

The fact is, that when the treaties were signed the trade in what is known as "soft-woods" was almost unknown in China, and nothing but a useless — provision concerning it was made in the treaty. Recently, however, it has become an — important and growing trade,

and

and the customs authorities in the interests of the revenue, have endeavoured by regulations to make good the default of the treaty.

I unite with my colleagues in the opinion that the customs authorities in doing this, exceed their powers. If the treaties do not give China the revenue which should come to her from the trade, in "soft wood" they should be amended. But this can only be done by the parties in covenant, and not by the subordinate officials of the Chinese Government. While, therefore I concur in the remonstrance addressed to the foreign office. I should be glad to have the question

adjusted

adjusted between the departments and the Chinese Legation with due recognition of the fiscal rights of the Chinese Government.

I do not question the right of the Chinese to ask for a reconstruction of their tariff laws, to meet a trade which has grown into magnitude since the treaties were signed. The method of doing this is open to objection, and cannot become a precedent without serious disadvantage.

I have the honour to be,

Sir,

Your obedient servant.

Jno. Russell Young

Enclosures.

1. Mr. Threshire to Mr. Young.

No. 127. 4th December, 1882.

2. Mr. Young to Prince Kung.

5/1883. 24th January.

No. 127. Despatch 118
Enclosure 1

Mr Cheshire to Mr Young

Shanghai, December 4th 1882.

Sir,

1) I have the honor to enclose
a copy of a communication
2) with enclosure addressed to this
office by Messrs Wisner & Co. in
reference to a notice issued by
the Customs Authorities at this
port, in the matter of duty to be
levied on soft wood planks, from
and after the 1st of December inst.

Messrs Wisner & Co's
complaint is fully set forth in
their title, and it does not seem
necessary for me to make any
comments, further than to say
that as the duty fixed by the
tariff, on soft wood planks is
seven mace per 1000 square feet,

I view the action of the Customs Authorities as arbitrary and illegal, and I trust you will bring the matter to the notice of the proper Authorities at Peking to the end that the legal duty, formerly leviable may not be increased".

I am Sir
Your obedient servant
(sig.): J. D. Cheshire.
Vice Consul General in charge.

Enclosures:
No. 1. to letter from Messrs Wismer & Co.
" 2 Notice issued by the Customs.

Copy.

Despatch 12.7
Enclosure one
Messrs Wisner & Co. to Mr. Cheshire.

Shanghai, 4th Decbr 1882.

Sir

We beg to call your attention to a notice of which we enclose a copy under date of 19th Oct. posted in the Customs House, and bearing upon the duty leviable on Softwood Planks, which are, in the main imported from the United States.

Under the ruling of the 4th clause of said notice establishing an ad valorem duty of 5% on planks upwards of 6 inches in thickness, an increase in the duty, over that heretofore assessed for such merchandize, of nearly

100

100 per cent is leviable.

The duty fixed by tariff is 7 mace per 1000 square feet irrespective of measurement.

The new rule establishes an arbitrary scale of measurement, upon which a differencial duty is based.

The duty established by the new rules of 5% ad valorem would be, upon the present market value of such planks, Fls 28 per ~~m~~, Fls. 1.40 per ~~m~~.

As we had prior to the issue of the notice referred to, entered into contracts for the delivery of certain cargoes of lumber, basing our calculations of cost on the original tariff if 7 mace per ~~m~~ square feet the change, if carried out would cause us a serious loss, and we deem the increase to be unwarantable and contrary to treaty stipulations.

We

We beg therefore to —
respectfully request that you
will take steps to bring the
matter before the proper
authorities to the end that
the duty formerly leviable
may not be increased.

We are etc

(signed). Wisner & Co.

Dispatch 127
Enclosure 2

Notice.

Customs House.
Shanghai, 19th October 1882.

Softwood Planks.

On and after the 1st December, the following rules having reference to the thickness of Softwood Planks and to the levy of duty thereon will take effect.

1st The Tariff fixes the thickness of a Hardwood Plank at a maximum of 3 inches the same rule is to govern the thickness of a Softwood Plank.

2d Softwood Planks of 3 inches in thickness, and under, are subject to a uniform rate of duty - vide Tariff

3d Softwood Planks of over 3 and not exceeding 6 inches in thickness are to be rated as - double

double planks.

4th. Softwood Planks over 6 inches in thickness are to be rated as beams and are to pay a 5 per cent ad valorem duty as unenumerated articles.

(sig.): James H. Hart
Commissioner of Customs.

Copy.

Despatch 118
Enclosure 2

No. 5/1883.

January, 27th. 1883.

Mr Young to Prince Kung.

By a Notification of the Shanghai Imperial Chinese Customs dated October 19th. 1882 new rules have been put in force from the 1st. December of last year for the collection of duty on Softwood Planks.

According to these rules Softwood Planks of 3 inches in thickness and under shall pay the tariff duty of 7 mace for 1000 feet square, Softwood planks of over 3 and not exceeding 6 inches are to be rated as double planks, softwood planks over 6 inches in thickness are to be rated as beams and are to pay a 5% ad valorem duty as unenumerated articles.

Now

Now these new rules are not only contrary to the treaty tariff duty on Softwood Planks, but also to the customs and usages of the timbertrade.

The tariff duty on Softwood Planks is 7 mace per 1000 square feet; no mention is made of the thickness of the planks, but this apparent defect is made good by the customs of the timbertrade according to which under square foot is understood a superficial foot, i.e. a foot being 12" long 12" broad and 1 inch thick.

According to this, one plank 80' long 12" broad and 5" thick has been considered as measuring 400 square feet and has paid duty accordingly while a plank 45' long 20" broad and 20" thick has been considered as measuring 1500 square feet and has paid duty

duty also accordingly.

Under these circumstances while the alteration of the tariff provision was certainly contrary to treaty, no necessity and even no excuse seem to exists for the sudden introduction of the new rules as the tariff duty as it stands taken in connection with the custom of the trade, fully protects the interests of the Chinese exchequer giving to it a duty rising proportionately with the thickness of the planks.

I believe therefore, that it will be sufficient for me to draw the attention of Your Imperial Highness and Your Excellencies to these facts to obtain the redress the American houses engaged in the timber trade justly claim, i.e. the revocation of the new articles issued by the Shanghai

Imperial

Imperial Chinese Customs, and the repayment to the importers of any sums paid by them under the new rules over and above the tariff duty.

While hoping for a speedy and favorable reply, I seize etc.

TELEGRAM RECEIVED.

No.

FROM Tientsin

188

Secretary State
Washington.

Yard claims Viceroy Li offers principal and interest at eight%. Shall I accept? Cable response.

Holcombe

Received Feby 3 1883 P. M

Operator.

No 119

No 119

DEPARTMENT OF STATE
APR 23 1883
RECEIVED

Legation of the United States
Peking February 3rd 1883
Mr Young to the
Secretary of State
Subject
Tonnage Dues

Synopsis
Mr Young reports that the
Foreign Representatives
have agreed upon a set of
rules governing the
assessment of tonnage dues
upon foreign vessels in
China He encloses them

rules

rules and, having directed
the consuls to accept them
for their guidance, asks
the Department to approve
his action in doing so.

No. 119 One Enclosure.

Legation of the United States
Peking February 3rd 1883.

Honorable F. T. Frelinghuysen
Secretary of State.

Sir:

I have the honor to enclose 1/119
a series of regulations
governing the payment of
Tonnage Dues by foreign
vessels in the open ports.
These
regulations have been
considered and approved
by the Representatives of
the Foreign Powers.

I

I trust they will also meet with the approval of the Department.

I have, therefore, subject to your judgment, issued them to the consuls of the United States for their information and guidance.

I have the honor to be, Sir, Your obedient servant.

Enclosure
1 Tonnage Dues Regulations
Prince Kung to Mr Young
11/9/1882. December 14 1882
Mr

Mr Young to Prince Hung.

120/1882 December 26. 1882

Copy.

Despatch 119
Melbourne

Chinese Customs
Tonnage Dues Regulations.

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1. With the exception of Ships-of-War, Pilot Boats and Yachts, all other vessels - Merchant ships, Steamers, Tugs, Hulks Boats and Cargo Boats - are required to pay Tonnage Dues either at the rates and times set forth, or subject to the exceptions provided for in these regulations. {What vessels pay Tonnage Dues.

2. Tonnage Dues are due on the expiration of forty eight hours after arrival or on breaking bulk, - i.e. landing or shipping cargo, Bullion excepted, {Tonnage Dues, when due.

excepted, or landing and/or shipping 20 or more passengers, - whichever first happens.

Tonnage Dues, at what rates payable } 3. Tonnage Dues are payable at the rate of Four Mace per Ton by vessels of more than one hundred and fifty tons burden, and one Mace per Ton by vessels of one hundred and fifty tons or under.

Four Months' Certificate. } 4. Tonnage Dues having been paid, a Four Months' Certificate will be issued on clearance, from which date the vessel will be exempt from Tonnage Dues for a period of Four calendar months on exhibiting her certificate. Subsequent certificates are to

to be dated from the date of the first clearance following the expiration of the preceding certificate.

5. In addition to Ships of War, Yachts and Pilot Boats, the following classes of vessels are specially exempted from payment of Tonnage Dues provided the conditions affecting the exemption are duly observed:—

What vessels are exempt from payment of Tonnage Dues.

(a) Boats employed in the conveyance of passengers, baggage, letters, articles of provision or other articles not subject to duty, in or between the Treaty Ports;

(b) Merchant vessels which depart before the expiration of 48 hours from arrival, and which neither work cargo — personal

personal baggage, gold and silver bullion and foreign coins excepted — nor carry passengers — aggregating inwards and outwards twenty or more;

(c) Vessels which are reported to the Customs as having entered port specially for shelter or repairs (including steamers which, <u>en route</u> for another port, are — forced to enter to coal), and which, occupying berths assigned them by the Customs, observing Port Rules and Customs Regulations and working neither cargo nor passengers, depart as they arrived either in ballast or carrying away their original cargo (<u>N.B.</u> If, in order to effect repairs, cargo must necessarily be

be temporarily landed, special permission can be obtained on application; but such cargo must be replaced and taken away by the same vessel when departing).

If any such vessels hold Four Months' Certificates, they will be treated as follows: —

(a) If the vessel enters for shelter, the certificate is extended the number of days the vessel spends in port;

(b) If the vessel arrives for repairs and leaves without working cargo or passengers, — or if, arrived for repairs, the vessel subsequently works cargo or passengers, — or if, arrived for ordinary trading purposes, the vessel remains in port for repairs, the days actually spent

spent in port in effecting the repairs are added to the Four Months' Certificate;

(c) Should it appear that a vessel takes advantage of these concessions respecting shelter and repairs simply to evade or defer payment of Tonnage Dues, a fine will be levied amounting to double the sum sought to be evaded or deferred;

(d) If the vessel is one which does not enter for shelter or repairs but departs without working within 48 hours, and if the Four Month's Certificate expires while in port, the vessel will be free to depart without further payment of Tonnage Dues, and her next Four Months' Certificate will be dated from

from the first subsequent clearance necessitating payment of Tonnage Dues.

(e) If the Four Months' certificate has not expired, its duration is not in any way affected by this exemption;

(f) If not possessing a Four Months certificate, the vessel although not working cargo will be required to pay Tonnage Dues if she brings in or takes away passengers aggregating twenty or more.

For the purposes of this Rule, Inward and Outward Manifests must contain full details respecting Bullion, Foreign coins, and Passengers thus:—

Bullion, Silver ——— cases value ———

" Gold ——— " " ———

Bullion

Bullion Foreign coins, — cases value —
Passengers, Cabin, ——— (numbers)
" Steerage, ——— "
" Deck, ——— "

Special rule for Sailing vessels more than fourteen days in port.

6. The Four Months' certificate of any sailing vessel in port more than fourteen days will be extended half the number of days spent in port beyond that time, i.e. for half the period from the fifteenth day to the day preceding that of clearance both included.

Special rule for Mail Steamers (Experimental provisional)

7. In the case of companies established or subsidized by Government for the conveyance of Public Mails between foreign countries and China, which have periodic dates of departure with mails fixed by contract, the Four Months' certificate will be, not

not for the individual vessel named so and so, but – for whatever steamers may carry the mails at intervals of four weeks. The payment of Tonnage Dues once will thus clear the company from liability for four months in respect of such steamers as carry the mails that accord at intervals of four weeks with those carried by the vessel which originally paid Tonnage Dues, i. e. for Monthly Mails, there will be one payment, for Fortnightly two, and for Weekly four, every four months. Other steamers the property of such companies, entering port but not intended to depart or not departing with the regular contract mails are not covered by this Special Regulation, but must pay Tonnage Dues in accordance

with

with the rules for ordinary traders.

This Regulation which is confined to Shanghai is experimental and open to revision.

What dues are paid by Chinese junks under foreign Charter

8. Chinese Junks chartered by foreigners are required to pay Port dues according to the Chinese Tariff and Rules, if trading on the Yangtze, and Tonnage Dues once every four months at the same rates as foreign vessels if trading between the Treaty Ports on the Coast.

Customs' measurement for Tonnage

9. Vessels requiring measurement or remeasurement may apply to the Customs to be measured. Gross Tonnage will be calculated in accordance with Rule I of the British Merchant Shipping Act,

Act, and the deductions to be made therefrom in order to obtain the Tonnage-dues-paying Tonnage will be calculated in accordance with certain provisions of the same Rule and certain instructions published by the United States Government as to what parts above the upper deck to the hull should be included, approved of and adopted by the Chinese Customs. For conjoint measurement of vessels for Tonnage, the usual fees will be payable.

Copy.

119/1882.

Prince Kung to Mr. Young.

In the matter of the levy of tonnage dues on foreign vessels or their exemption therefrom, in December 1870 I received a report from Mr. Inspector-General Hart in which it was stated that 'the mode of 'levy of tonnage dues on foreign 'vessels and the rule of 'exemption therefrom ought to 'be made uniform that the 'charge may be equitable and 'satisfactory. But in this 'question as to when such 'dues should be levied and when 'omitted, not only are there 'discrepancies in the stipulations 'contained in the several treaties, 'but the commercial regulations 'appended thereto contain

discrepancies

'discrepancies which cannot
'be reconciled. Then these latter
'have been from time to time
'modified to meet the
'exigencies of the occasion and
'additional stipulations have
'been inserted so that the treaty
'provisions have been repeated
'and the rules have become so
'confused that it is exceedingly
'difficult to reduce them to any
'uniform system.'

'I have therefore taken the
'treaty provisions and commercial
'regulations upon this point with
'the correspondence relating
'thereto, and the usages and
'peculiar circumstances of each
'collectorate and each port into
'careful examination and
'comparison and have formulated
'eleven rules, for the guidance
'of the Customs, which embrace
'all the material points in the

levy

'levy and remission of
'tonnage dues upon foreign
'vessels, and which I beg may
'be promulgated for general
'observance, etc. etc.

In January 1871, the Representative of your Government was addressed by me in accordance with this request.

I am now in receipt of a further report from Mr. Inspector General Hart, in which he remarks that the 'years that have passed since '1870, have not been without 'suggestions from the several 'ports for the amendment of 'these rules. In the revision 'of the various treaties dissimilar 'provisions have been inserted, 'and both in the general and 'detailed commercial regulations 'are found many discrepancies 'which it is desirable to

reduce

'reduce to uniformity, I
'have accordingly again
'collated all the stipulations
'bearing upon the levy and
'remission of tonnage dues,
'and, following the general
'line heretofore pursued, have
'prepared nine amended rules
'which I beg may be taken
'into consideration and
'published for general
'observance etc, etc.

The various modifications in the levy of these dues made during recent years have had careful consideration at my hands, and they appear to be embodied without exception in these nine rules. Hence these nine rules should be incorporated with the preceding eleven and thus form a mode of procedure.

It is therefore my duty to

to transmit herewith a printed copy of the Chinese text of the nine rules, with a copy of the English translation furnished by Mr. Hart, to the end that H. E. may take them into consideration and issue them for general observance.

Hon. John Russell Young
etc. etc. etc.

Peking, December 14th. 1882.



Copy.

N: 120/1882.

Mr. Young to Prince Kung.

Peking, 26th December 1882.

I have the honor to acknowledge the receipt of your Imperial Highness's note dated the 14th inst.

I have seen with pleasure that the Regulations for the collection of Tonnage Dues — contain a rule permitting merchant vessels to land or take on board an aggregate number of 10 passengers without subjecting the ship to the payment of tonnage dues, a measure which I have no doubt will prove equally useful to Chinese and to foreign interests.

With regard to Rule 7 — referring to Mail steamers it must

must of course be left optional to the different companies whether they will accept this arrangement or abide by the clause of the treaties affecting tonnage dues.

The term 'cargo boat' as used in the rules I hold to mean only such cargoboats as convey merchandize between treaty ports and not lighters used for loading or unloading ships within the port itself.

I shall be most happy to transmit a copy of the English text of the Tonnage Dues Regulations and of this dispatch to the Consulates of the United States.

I have etc.

(sig.) John Russell Young.

PORT ... MS
1883

No. 120.

Securities Nos 1 to 136 & 137 of June 22, 1883.

Legation of the United States.

DEPARTMENT OF STATE
APR 23 1883
RECEIVED

Peking, 4th February, 1883.

Mr. John Russell Young

To the

Secretary of State.

Subject:

The right of Americans to manufacture at the open ports.

Synopsis.

Mr. Young forwards a copy of a note received from Prince Kung in reference to the rights of foreigners to manufacture at the

open

open ports, and giving the in-
reasons for the opposition of the
government to Mr. Wetmore's in-
proposed company, also his
reply to the same. Mr. Young
answers in detail the objections
of the foreign office, and calls the
attention of Prince Kung to the in-
treatment of Mr. Wetmore as an
uncandid and unfriendly act.
He demands an immediate and
thorough inquiry: This he does
with reluctance, pointing out to
the Department the embarrassments
attending the government of a vast
population and the anxieties of
the officials as to the effect upon the
labouring classes in China of the
introduction

introduction of foreign machinery.
While viewing these arguments of
the Chinese authorities with interest
and sympathy Mr Young feels that
the honour of his Government
demands decided action in
Mr Nelmores case. He asks
the Department to approve what
the Legation has done, and
to look with favour upon what
he proposes to do.

No. 120. Three Enclosures.

Legation of the United States.
Peking, 4th February, 1883.

The Honourable
Fredk. T. Frelinghuysen.
Secretary of State.

Sir,

In my despatch No. 69 I sent you a copy of a note addressed by the Legation to His Imperial Highness Prince Kung, concerning Mr. Wetmore's interests in Shanghai, and discussing the right of Americans to engage in manufactures at the open ports.

I

I have now the honour
1/120 to enclose a copy of a reply
from His Imperial Highness
2/120. and my answer to the same.

I also send you copies of
despatches from the Vice Consul
General, explaining that gentleman's
correspondence with the Chinese
Authorities, and especially
3/120. a noteworthy letter
addressed to Mr Threlkeld by the
Viceroy of Nanking.

The position of the
Chinese Government on this
question of the rights of foreigners
to manufacture is expressed in
these various communications
with more frankness than has
yet

yet been shown. It is not now so much a difference of opinion as to the construction of treaty-stipulations as the dread of danger to the labouring interests and the revenues of China, from the introduction of foreign machinery. His Imperial Highness points to our tariff system, and our protection of home industries as a precedent, - and intimates that any policy of - commercial exclusion on his part would be following our example. According to the Prince we impose a heavy duty upon certain manufactures - in order that their unrestricted import should not interfere with our own - labourers. China on the contrary -

imposes

improves light duties. The question of manufactures, is one involving — first the revenues of the empire — and second the welfare of the — working people. If for instance — there should be an uncontrolled manufacture of cotton, silk — and satin at a port like Shanghai, the foreign machinery would so far surpass the antique and clumsy methods now in use, that millions of Chinese weavers would be thrown out of employment. This argument is presented with even more feeling in the letter — addressed by the Viceroy of — Nanking to the Vice Consul — General (to which I referred above.

"Chinese"

"Chinese", says the Viceroy "require
"many days to do what a foreigner
"can do in a few minutes". Chinese
"use much labour and expense, —
"whereas the foreigner saving money
"and time, can sell at any price. —
"Of course we cannot compete with him.
"The consequences would be, that the
"Chinese workmen would give up —
"working; and what could I do, with
"all these millions of men who have
"lost their work? The stronger —
"would become robbers, and the —
"weaker beggars, and the local —
"authorities would not be able to
"keep them in check. They would
"be robbing and stealing and the —
"state of affairs would be worse —
"every

"every day."

Of course, the only reply can be - 'Here is the treaty and we stand by it.' At the same time there is something pathetic in the Viceroy's appeal. While the fallacy of these apprehensions is known to students of modern political economy, we should remember that the knowledge only came in recent years, and that there are even now ruling minds in states of the highest civilization who hold the opinions of the Viceroy and the cabinet. The history of commerce and trade is the history of a struggle between these arguments and a more enlightened public opinion

opinion. The invention of the spinning jenny, to take a single illustration which revolutionized the cotton industry and laid the foundation of the stupendous trade in cotton which England now controls, led to riots. Mobs of anxious weavers, moved by fears like these which agitate the Nanking Viceroy searched the country and destroyed every spinning jenny that could be found.

It is difficult to answer or remove apprehensions of this nature, but in my response to His Imperial Highness I pointed out their groundlessness; - and - even intimated that there was -

more

more reason for fear on the part of the Western nations as to the effects of improved machinery in Chinese hands upon their own industries. The cheapness of labour, the thrift, patience, industry and skill of this peculiar people once applied to the manufacture of cotton and silk by the methods used in England and France, would make it difficult for Manchester and Marseilles to hold their own. I note an apprehension of this kind in California in the form of a new movement demanding that Congress should prohibit the importation of all Chinese

manufactures

manufactures.

There is another feature in this correspondence worthy of scrutiny. His Imperial Highness sent recently to the foreign legations a reply to our joint note upon the construction of the treaties. It formed an enclosure to my despatch No. 116. He now sends a special note, to the American Government. It is an intreaty, as well as an argument. It is an appeal to the United States to look with humanity upon China, and not join with the other powers in forcing upon her a policy, which her rulers believe would mean privation to millions, the —— disintegration of her social system.

The

the disbandment of her labouring — classes to be no longer patient; law-abiding workingmen, but driven to beggary and rapine.

The Department, will I trust consider that my reply to His Imperial Highness shows — that the Legation is not indifferent to this appeal, and not unwilling to consider the embarrassments of Statesmen called upon to govern a vast population. At the same time, this opens a large question, and one that cannot be too — carefully studied.

The Legation, as you are aware, in dealing with China, has by a custom that now has —

almost

almost the force of law and tradition acted in harmony with the other powers - furthering what is known as the policy of co-operation. — Many advantages have come from this. Foreigners have stood upon so uncertain a ground, — that union and confidence in — each other became necessary for their protection. I am disposed to — believe from the tone of this despatch that China would like us to abandon this policy, as we did in Japan — when we signed our latest convention with the Mikado. So far as it means the union of the foreign powers - to — maintain treaty privileges - and - protect their citizens against - a -

vast

vast, impulsive, suspicious, —
population, it is the instinct of
self-preservation, and we have —
had as much to gain by it, as any
other power. There was in some-
respects a departure from it —
when we inserted the opium —
clause in our treaty. [The effect
of that action has been to give force
to an agitation which threatens
the financial system of India.]

The government with
whom we have been most in —
sympathy is Germany. This —
goes back to 1869, as you will see
in a despatch addressed by Mr —
Fish to Mr Bancroft, No 148., and
dated in August of that year. —

The

The German Chancellor, Bismarck, as it there appears, was anxious that America and Germany should act together in Asiatic questions, - and Mr. Fish assented so far as to unite with the Germans in their efforts to obtain from China a port or an island as a coaling station. He also used his good offices to induce France during the war with Germany, to consent to a neutralization of the Pacific ocean, although the effect of such an act would have been to the advantage of Germany as the smaller naval power. In recent years Germany has shown activity in the east. Her policy has been eager, decisive and peremptory,

going

going so far within the past few
weeks as to land troops on Chinese
soil, and prevent the Chinese from
carrying out their interpretation of
the treaties. The advance of German
influence in the east has been marked
and steady. As Germany has never
shown any yearning for colonial
acquisitions, and her commercial
interests in China are much less
than those of England and the
United States I am disposed to
regard her vigorous interference in
Asiatic affairs, as an expression
of the national energy, [which
found new life and new ambition
in the splendid triumphs of the
war with France.]

England

England has large interests in China. She has the greater part of the carrying trade. She is bound to protect her opium monopoly. It is necessary for that protection that she should watch and direct every change in the fiscal system of this empire. Although the English have united with the other powers in pressing upon the Yamen our construction of the treaties as to the right to manufacture, I do not think she ever entered into the discussion earnestly or cared much about the result. This is not surprising when we remember that England herself has large manufacturing interests, that she sends China millions of dollars annually in

cotton

cotton goods, and that if cotton cloth were woven in Shanghai, there would be the less to weave in Manchester.

Russia is credited with having no policy in China but aggrandizement and diplomatic traditions here lead to the belief that she has never shown special heartiness in acting with the other powers. The interests of France are mainly the interests of the Church of Rome. The other Western powers keep a foothold in China to await events. Japan is the rival, and possible antagonist of China. A good result of the

policy

policy of co-operation may possibly be to persuade Japan that she has no higher interest in dealing with China than peace, and to induce the Chinese to see that friendship with Japan is the truest political wisdom.

Our immediate material concerns in this policy, or indeed in the questions at issue as to the right to manufacture are small. I have made some enquiries from the Consulates as to the exact condition of our manufacturing interests in China, the results of which I hope soon to give you. But enough is known to show that they are

few

few and that in contending for the principle embodied in my note to Prince Kung, the question looked at in a practical way, concerned the future and had little material value now. We should not lose much if we granted the Chinese the right to suppress all foreign manufactures. The danger is, that if we concede that, other concessions will be asked and won in the same way, and China will once more become a hidden nation, her ports closed to our ships and her markets sealed to our capital and enterprise.

The despatch of Prince Kung

Kung, and the firmly expressed opinion of the government, leave two courses open to the Department. The first is to stand by the treaties, and exact their scrupulous observance. The second is to take counsel with China as to her hopes and fears concerning foreign manufactures and make a new convention, granting her request, - for their suppression.

All of this is for the Department in its wisdom to determine. It only remains for the Legation to insist upon the treaties, and to protest against the extreme unfriendliness of such an action as the interference by the Viceroy of Nanking

Nanking with Mr. Wetmore's
business in Shanghai. In all
our discussions with the cabinet
it has been my aim to keep these
two questions apart, namely our
rights under the treaties as they
are, and China's undoubted
right to ask for an amendment
of any covenant which experience
proves to be oppressive.

In this spirit I have
asked His Imperial Highness
to consider the gravity of the
recent transactions in Shanghai,
about which I have written you
so fully and to note the sense of
wrong felt by the Legation as to
the conduct of the provincial
authorities

authorities. I have done this most disagreeable duty with reluctance and trust that my manner of doing it will meet with your approval. I have the utmost sympathy and respect for the perplexities of statesmen who have the severest task in the problems of government ever given to the rulers of men. I value the desire of the Chinese to be on terms of close intimacy and friendship with the United States, and their wish to seek our counsel and aid. I believe in the sincerity of this feeling, and that its encouragement will add to our influence in Asia. This

has

~~Such has~~ has been my constant aim, in performing the duties of minister, and I am strengthened in it by the knowledge that it expressed the wishes of the Department.

You can, therefore, understand the regret with which it has been my duty to address the Cabinet the despatch which I Enclose. I could not feel however, that any less firm a tone would have been consistent with the dignity of the government. I am in hopes that the Prince will see that the emphasis with which I dwell upon the conduct of his subordinate officials, is not inconsistent with a sincere

sincere friendship for China.

I have the honour to be.

Sir,

Your obedient servant

Thomas A. Young

Enclosures.

1. Prince Kung to Mr. Young.

   No. 3/1883. January, 22nd, 1883.

2. Mr. Young to Prince Kung.

   No. 8/1883.

3. Mr. Theobire to Mr. Young.

   No. 138 January, 12th, 1883.

No 3/1883 Despatch 120
Enclosure. 1

Prince Kung to Mr Young

Prince Kung, Chief Secretary of State for Foreign Affairs herewith makes a communication in reply.

Upon the 24th November I had the honor to receive your despatch in respect to the contemplated establishment of a Cotton Yarn company by foreign merchants at Shanghai. In it you remarked that you could not accept the interpretation put by this office upon the word "Kungtao" as found in the treaties; that the equivalent expression as found in the foreign texts was very broad and

and included all the various avocations pursued by the several classes of men; that if this were not conclusive further evidence existed — in the fact that all the treaties contained a stipulation allowing foreigners to employ all classes of Chinese laborers at the open ports, and hence to allow them to engage in manufactures &c, &c.,

In response I beg to say that, as I have addressed the several foreign Representatives expressing at length my views as to the meaning of the phrase — "Kungtso" found in the treaties, it is unnecessary to repeat that here. But as, in the matter of the cotton yarn company at Shanghai you hold that this phrase —

"Kungtso"

"Kungtao" as found in the treaties authorizes the manufacture of native products by foreigners. I must go further into the argument in order to supplement my earlier dispatch in points not therein touched.

While therein the phrase "Kungtao" is exceedingly comprehensive in its meaning it must be understood to refer exclusively to manual labor and cannot be held to include also the materials to which that labor is applied. In regard to the monopoly granted for a term of ten years to a Chinese company for the manufacture of cotton cloth, this action was taken under a decree from the Throne by the

the Northern Superintendent of Foreign Trade and was not the arbitrary assumption of power by local officials. Appropriate regulations were framed to prevent other parties from engaging in such an enterprise, and these regulations included not only foreigners but also Japanese in their application. Hence there was no discrimination against foreigners.

Your despatch maintains that the establishment of the cotton yarn factory would work no detriment to the Customs revenues nor to native industries. It is manifest well established fact that the rate of duties levied upon foreign imports in all countries has a close connection with the prosperity of

of the native industries
in such countries. Thus
your own Government in order
to develope its manufactures,
levies a heavy duty upon
all imports from foreign
parts, to the end that native
manufactured articles may
not suffer by the competition
in point of price. The tariff
of duties, as fixed between
China and foreign powers
is exceedingly light, and having
been fixed a change would be
difficult. As foreign profits
are very large, because of this
light tariff, therefore no
permission to manufacture
was embraced in the treaties.
And in view of the interests
of the revenue and native
industries, it would be
difficult to grant any such
permission now. Despose

for

for example foreigners were allowed to manufacture the manufacture by machinery of silk and cotton goods at the ports in China, the revenues of the Government would not only suffer but a serious competition would arise with all Chinese who are exclusively engaged in silk manufactures with manual labor and who depend upon the prosperity of this industry for the support of their families, and as a result they would be deprived of all means of support by the destruction of their business.

U S will consider this question with an impartial mind as though China were your own country, and you cannot

6

cannot fail to agree with me as to the merits of the controversy without further argument on my part. And I must beg you to instruct your Consular Authorities to notify the parties in interest to cease from the project in contemplation. This will be in conformity with the spirit of the treaties and will not interfere with the progress of friendship of foreign subjects. And thus Chinese and foreigners, merchants and people will each be allowed a means of support which is all and much to be desired.

Hon. John Russell Young.
&c., &c., &c., &c.,

Peking, January 22nd 1883

No 8/1883 Dispatch 120
Enclosure 2

Mr Young to Prince Kung.

G. I. H.

I am in receipt of the note of G.I.H. and Their Excellencies the ministers of the Yamen dated Jan 22/83 In this note G.I.H. reaffirms the construction placed upon the treaties, as to the meaning of the provision under which foreigners claim the right to manufacture at the open ports. You contend that the right thereby granted was simply the privilege to engage in manual labor, but not to establish manufactures or to pursue any profitable industry. You claim that Mr Wetmore

Wetmore, in starting his company for the making of cotton yarn in Shanghai, was infringing upon a patent or monopoly granted by the Northern Superintendent of Trade for the weaving of cotton cloth, and that his enterprise was, therefore, illegal. You call attention to our tariff system and hold that the American policy of protection is one that China has a right to adopt in regard to her own industries. Finally you express the apprehension that should foreign manufactures with the appliances of modern machinery be permitted in China, the result would be disaster, ruin, starvation to millions of your countrymen. You ask

me

me to consider these arguments with an impartial mind, and to issue orders to American citizens forbidding them to engage in manufactures.

I will say in the beginning that my Government is anxious to consider well, and in a spirit of sympathy and friendship, the problems attending the government of a vast population, and that it asks of China no advantage, which it would not strive to return. In the same spirit let me revert to the various arguments contained in your despatch.

First. The meaning of the treaty under which foreigners claim the

the right to manufacture at the open ports is clear. The explanation of G. I. H. is not sustained even by the accepted standards in your own language. There may be no question as to the French text, and that version, as G. I. H. is aware, must be taken as expressing the true intent of the parties in command. This view is strengthened by asking what was in the mind of the signers of the treaty. They meant to secure for their countrymen the privileges which are claimed, the right to manufacture and to enjoy the profits of their labors. They felt that the exercise of that right would be an advantage to China, adding to her wealth, her resources, her

her productive power. There
was a tangible purpose in
that, something that could
be expressed in a treaty,
and which statesmen would
regard as worthy of a place
there. G. I. H. plainly understands
that this provision
grants foreigners the right
to engage in manual labor.
No statesman would have
signed so frivolous and
valueless a provision. What
we claim now is a natural,
intelligible privilege. What
you concede is nothing, and
no such concession was
ever in the minds of the
signers of the treaty.

Second

As to the proposed company
for the manufacture of
cotton yarn in Shanghai,
G. I. H. says that the
company

company was opposed because it was in contravention of a patent or monopoly granted to a Chinese company by the Superintendent of Northern Trade. To this, answer must be made that such a monopoly is not in accordance with the treaties. Some consideration must be given to the argument that in granting this privilege to the Chinese company, you are following the patent system in force in many Western countries. It is a satisfaction to see this recognition of the advantage of [illegible] patent system. A policy of this kind, generous and comprehensive in the benefits of which all could share, would be regarded with favor by the United States

United States. If such a system had been in existence, if Mr Whitmore had known that in venturing upon his enterprise, he was violating a law, or a right he would never have made the experiment. The hardship, so far as he is concerned, lies in this. Having in good faith, relying upon the treaties and the protection of your Government, entered upon a calling that would have benefitted Shanghai, having in doing so incurred expense and trouble, he was suddenly forbidden to continue his arrangements. If China will adopt a patent law in consonance with the treaties, the nature of which all men can know

know, however, well-meaning merchants like Mr Wetmore will not be embarrassed. But to promulgate a special law as an injury to a foreign interest is not a friendly proceeding, nor is it the way to establish a patent system that will benefit China and meet the recognition of the Treaty Powers.

Third G.J.H. contends that China, like the United States, should be permitted to protect her own manufactures. My Government would never deny that undoubted right to any sovereign power, and has ever been willing, as was shown in the recent convention with Japan, to deal with the Eastern nations

nations in the most liberal spirit. But a policy of protection is one thing, and a policy of exclusion is another, and we should look with concern upon a fiscal system in China which, under the pretence of fostering certain industries, was, in reality, closing the country again to the advantages of Western civilization. In this, however, we are governed by the treaty. If the treaty proves burdensome and oppressive to China, if H.I.M. deems any change in the commercial system the true way is to make representations to my Government through your Legation. As the treaty now stands, all that remains is for us to observe it.

Fourth

Fourth. Your assumption that the introduction of foreign machinery into China, and especially for the working in silk and cotton — would deprive millions of their livelihood and lead to sudden disaster, I note with interest and sympathy. My Government would feel that we were doing China a most unfriendly act to propose such a policy, and would disclaim any advantage that would bring misery upon your people. If the use of foreign machinery is fraught with such terrible consequences, I might ask Y. I. H. why a monopoly has been granted to a Chinese company to introduce into Shanghai

the

the appliances whose
advent is so much deplored
With that, however, I have no
concern, and I pass to the
higher questions involved.
I do not see any reason
for the apprehensions of
Y.M.H. either as to the effect
of the introduction of
machinery upon your
industries, or as to the
skill and ability of your
country men in holding their
own against competition.
The same fear, namely
that improved machinery
would ruin labor has
been felt in other nations,
in England, France and
the United States. There
is scarcely a labor saving
invention now in use
that has not met with
the opposition of the
working

working classes, in some cases with riot and bloodshed. And yet experience has invariably shown that the effect of new inventions has been to help the working-man, add to his ease and comfort and wordly advantage. G. H. has only to look at what your countrymen have done in Hongkong, Siam and Burmah; the East Indian Netherlands and California to feel assured that Chinese industry and thrift can maintain themselves against any opposition and that you have no reason to dread the introduction into China of the ingenious agencies of Western science and art. I am convinced that the

the more this question is studied by H.M.G. you will find that the policy laid down in your despatch is based upon a wrong conception of the laws of industrial prosperity, and that experience will also show, as the history of civilization clearly teaches us that the adoption of a generous commercial and fiscal system will not only benefit the laboring classes but add to the wealth of the nation and the revenues of His Majesty.

Having thus considered in a friendly spirit the points presented by H.M.G. in response to my note, it is my painful duty to call your attention to certain incidents

incidents and transactions
ing Shanghai, which the
Legation must regard
as the expression of
unfriendliness towards
our Government, an
interference with the treaty
rights of an American
citizen, and an abuse
of the forms of Chinese
law to destroy American
interests.

I have had occasion
to call your attention to
the proposed enterprise
of Mr Wetmore, an American
merchant doing business
in Shanghai for the
manufacture of cotton
yarn. I. I. N. in a
despatch dated Oct 18. 1882,
gave your reasons for
regarding this scheme
with disfavor, and to this
the

the Legation replied in a despatch dated Nov. 23. 1882, I have not pursued the discussion of the questions which arose in these despatches, because they were involved in the negotiations now pending between H.M. and the Diplomatic Body, as to the real meaning of the treaties under which foreigners claim the right to manufacture. The final decision of that debate, and the ultimate accepted interpretation of the treaties will determine the right which Mr Wetmore claims. I have permitted Mr Wetmores case therefore to rest in abeyance, and not without reluctance because he has suffered annoyance and pecuniary

pecuniary loss, and
has been treated with
injustice. I feel however
that every consideration
was due to the embarrassment
of Y.H.M. in determining an
intricate and important
question.

Matters were in
this position, all questions
in controversy the subject
of friendly correspondence,
all parties seeking an
honest and amicable
understanding, when news
came to the Legation
that a secret order had
been issued by the
Viceroy at Nanking, for
the arrest of the compradore
of Mr Wetmore firm,
and his removal to Nanking
to be tried for having
taken part in the

Tai Ping

Tai Ping rebellion.

If this comprador had committed any crime against China and more especially against the person and authority of H. M. the Emperor, it would have been the duty of American officials not to have interfered with the execution of your laws. Mr Wetmore, however, represented to the Legation that the comprador had been in his service for many years, that he was a man of character and fidelity, kind to the poor and loyal to the throne. His action, considering the important position of a comprador in foreign business houses, was another

another injury to the business of Mr Whitmore which had already suffered from the action of the Taotai in publicly forbidding Chinamen to invest in the shares of this company. Mr Whitelope further urged that the charge against the comprador, namely, that he had taken part in the rebellion was frivolous and false, and that the real motive for the Viceroy's warrant was to punish the comprador for having taken shares in his employer's company. It was difficult to believe that a powerful and magnanimous government would seriously think of punishing an humble comprador, who had been left

left his home, had performed all the duties of a good citizen and faithful subject, and had never before been charged with complicity in a rebellion which was suppressed seventeen years ago. It was equally hard to believe that so eminent a man as the Viceroy, his long life rich with services to the State and crowned with honor and dignity, could permit such a charge against a fellow-subject, merely because he had made an investment in an American company.

While the motive inspiring the warrant was in doubt, this legation, refusing to adopt the suspicions of Mr Wetmore as

as to its integrity, there
gave further evidence to
show that the real purpose
of the treaty in joining
it was to furnish the
commodore for taking
these island and then by
an act of injustice and
tyranny prevent other Chinese
from following his example.
Proposals were made to
Mr Wetmore to the effect
that if he would begin
a bold agency to
withdraw his company
and return the money
advanced by the shareholders,
the warrant against the
commodore should be
withdrawn. Enclose for
the information of G.H.
copies in Chinese text of
these propositions.

There

These proposals left no doubt upon the mind of the Legation as to the annulling cause of the Senegal warrant, and were read with astonishment and indignation. If the conspirators had been guilty of the crime charged against him if there were reasons to suppose him guilty, and the Government was no longer disposed to new complicity in the rebellious self-mercy, then justice should have had its course. To propose to arrest justice and allow a grave crime to go unpunished merely because the criminal withdrew his share in a

a certain company, was a degradation of your law. To do this to deprive an American citizen was an act of violence in the highest degree unfriendly to my Government and an infringement of the letter and spirit of our treaties.

This act was followed by other decrees. The first was a mandate forbidding Chinese to work for any person using the electric light. Then came a decree directing the house of Russell & Co. to cease the manufacture of rice flour.

The result of these orders was that the comprador was taken before the Taotai and discharged. The decree against

against the electric light and the gas companies were withdrawn. But the effect was to inflict upon Mr Wilmore great loss and damage and to do so in a way to bring contempt upon your laws, and compel us to question the candor and friendship of your authorities.

There must necessarily follow grave considerations. There are questions between your Government and mine as to the exact meaning of treaty provisions. There are honest differences of opinion which may arise between any governments however friendly. You are strong and

and we are striving to
come to an honorable
understanding. If you
are right we accept the
consequences. If you
are forcing your Government
is held by its covenants.
If it should be found
that existing treaties
do harm to China you
have only to make
representations to my
Government to receive
prompt and friendly
consideration, and to be
assured, as I have before
said, that the United
States desires no
concessions with China,
the benefits of which are
not reciprocal. This is
the honest, candid
straightforward way of
doing business, and in

Her

this spirit we have been trying to conduct our discussions. But while these discussions are in progress, for a provincial authority suddenly to issue a decree the effect of which is to injure an American merchant is an act of grave discourtesy not alone to my Government, but to the Imperial Cabinet. When in addition to this the commander of an American fleet is threatened with arrest upon a capital charge and offered his freedom if he will aid in the destruction of his employer's business, thus showing that the capital charge was a dishonest and unfriendly pretext, it must be regarded as

a

a most serious matter, and one that cannot be viewed by any Government without horror and concern.

If the proposed company of Mr Wetmore was regarded as a violation of the monopoly or patent granted to another company, the Directors offered a certain and equitable method of redress. It would have been proper to have served upon Mr Wetmore a bond to guarantee any losses that his company might sustain upon Chinese merchants subject to an appeal to Peking. That would have been a lawful proceeding, and one which the Legation would have approved.

It is now

now my duty to ask from
H.M.G. a rigid inquiry
into these unfortunate
transactions. I must
request you to visit
with your censure those
officials who have abused
the machinery of imperial
justice to oppress and
destroy an American
citizen. I must ask H.M.G.
to instruct the provincial
officials that until
there is an understanding
as to the meaning of
treaties, there must be
no interference, directly
or indirectly with Americans
doing business in an
honest way. I must observe
that the whole course
of the officials in Shanghai
threatens a most serious
complication, and it is
within

within the province of G. L. A.
to end it by an act of
enlightened statesmanship,
honorable to both nations,
and showing the world
that the Government of
N. M. will never forfeit
good relations so long
existing and so highly
valued by the United
States to be put in peril
by the caprice of provincial
authorities.

I am sure, in
concluding this disagreeable
task, that my Government
will be disappointed if
I am not enabled at
an early day to report
that you have made a
thorough investigation
of these events and that
you have made it
impossible for your laws
to

to be used to oppress
American citizens claiming
their just rights under
the treaties. The question
of reparation to Mr —
Wetmore for loss and
injury to his business
& for the present —
reserved. I. I. A cannot
fail to see that such
a question must arise
as a consequence of these
extraordinary proceedings

I have &c
John Russell Young.

No. 138. Dispatch 120
Enclosure 3

Mr Cheshire to Mr Young

January 12th 1883

Sir:-

I have the honor to enclose copies of correspondence which have passed between the Consular Body at this port, the writer and Tso Tsung Tang, Viceroy at Nanking, all relating to Mr Wetmore's Cotton Yarn Company and his Comprador. I may state that as a reply to the Viceroy's communication of date the 10th of December the Consular Body through Dr Focke their Doyen, informed H.E. that they declined to accede to his request in the matter of closing foreign manufactures, and that the question was now being

being discussed by the
Diplomatic Representatives and
the Foreign Office at Peking.

I have the honor to be,
Sir,
Your obedient servant
(signed) J. D. Cheshire
Vice Consul General in
charge.

Enclosures.

1. Copy of communication from Viceroy to Mr Cheshire.
2. Copy of communication from Viceroy to Consular Body
3. Mr Cheshire to Viceroy
4. Consular Body to Viceroy

Despatch 138

Enclosure 1

Tso Governor General of the two Kiangs &c, &c, makes the following communication, in reply to J. D. Cheshire Esquire, United States (Vice) Consul General (in charge)

The Governor General has the honor to state that upon the 23rd of the 10th moon, Dec. 3rd he received a despatch from the United States Consul General wherein he stated that the special object of the cotton cloth company is to manufacture cotton cloth and that the cotton yarn company started by W. S Wilmore Esquire an American merchant is for the purpose of making yarn only; that for this reason the working of one company does not necessarily conflict with the

the interests of the other; that those connected with the Boston Cloth Company are making endeavors to monopolize the manufacture of cotton goods and have therefore falsely accused Waugh-hooning of having been implicated with the rebels, and another man of having evaded the payment of duties, with a view to causing the dissolution of the Yarn Company. The Governor General was requested to investigate thoroughly and carefully in every particular the injustice and wrong done Waugh-hooning and reply.

Having received the above despatch the Governor General would observe that he has received a joint communication signed by the United States Consul

Consul General and the other Consular Representatives in the matter of foreign merchants at Shanghai establishing companies for the purpose of manufacturing Cotton Yarn and weaving by machinery and after he has carefully considered all the points in detail will address the Consular Representatives to instruct their respective nationals to cease carrying on such enterprises.

Now with reference to the case of Wang Kohming the Governor General has heard that he had in former times been connected with the rebels and there must have been some foundation for the report. It appears, however, that he has been a trusty servant in the employ of the head of Messrs Frazar.

Frazar and Company for over
30 years and the negative which
gave reason for the issue of
the warrant for his arrest
also happened within the time
of 30 years. If the accused
does not appear in court so
that the matter may be
clearly investigated but only
the United States Consul
General acts in his behalf
with a view of securing his
release, then in such a case
not only would it be difficult
to ascertain clearly what defence
he has to make (lit. his sentiments)
but how could the accusation be
passed over in silence? The
Consul General would be suspected
of protecting him.

Since Waugh is holding
is holding a trustworthy position
in the firm of Messrs Frazar & Co
the Governor General has thought of

a

a speedy and convenient way of settling the case, namely: he need not be arrested and sent to Nanking but the Consul General should instruct him to appear at the Shanghai Taotai's Yamen for examination and it will then not be difficult to ascertain from his statements whether he is innocent or not and after the Taotai has clearly investigated the matter a report is to be sent by that officer to the Governor General. Such a course will save time and correspondence and Wang Yehming's mind will be set at rest as to the indictment against him. The Governor General believes this plan will meet with the Consul General's approval.

Now besides sending instructions to

to the Shanghai Intendent to take action accordingly, the Governor General sends this communication in reply to the United States Consul General for his information

Kwangsü 8th year, 10th moon, 29th day
(Dec 9th 1882)

Despatch 138

Enclosure 2

Nanking, 10th December 1882

(rec'd. 23. 12. 82)

To Dr Focke, Consul General for Germany, and the Consular Body of Shanghai.

On the 2nd of December I had the honor to receive a despatch from you and your colleagues concerning a Cotton Yarn Manufactory, established by Mr Wetmore of the firm of Frazar & Co. in Shanghai, and the prohibitory proclamation of the Taotai of Shanghai and the arrest of two men that were concerned. You further pointed out that the measures in question are infringing the commerce of the Treaty Powers and ask me to have them withdrawn &c. I wish to make a few remarks concerning your

your complaints.

The Chinese Weaving Company in Shanghai was established by the Taotai Kung, Chin and others. They sent Chinese raw cotton to foreign countries, had it examined with regard to the weaving qualities and had the machines constructed accordingly.

They then petitioned the Superintendent of the Northern Ports, who, on his part memorialized the Throne for the permission to start and carry on the manufactory in question and requested that the company should receive a monopoly of the same for ten years. This is frequently done in Europe. Not but Chinese should become shareholders and no other similar

similar manufactory should be started in the period mentioned above. This was done in order to secure success for the venture and to open a new branch of industry for the Chinese merchant.

No sooner had this company been fairly started, a cunning Chinese borrowing the name of a foreign merchant established a Cotton Yarn Manufactory and tried to bring loss to the other company. In my opinion a Cotton Yarn Manufactory is similar to a Weaving Manufactory and if I allow the new company to carry on business it will bring loss to the one previously started. It being already arranged that no Chinese shall establish any manufactory of the kind, what reason can be found for allowing

allowing a foreigner to do so
As soon as I heard of the starting
of the new company I instructed
the Taotai to inquire into
the matter and put a stop
to it. Thereupon he should
communicate with you and
the other consuls. I also requested
the Tsungli Yamen to consult
with the foreign Ministers in
Peking and to ask them to
forbid their nationals acting
against the regulations that
have been made.

I afterwards
received an answer from the
Tsungli Yamen enclosing
the copy of a despatch to H.E.
the Minister of the United
States. "The Tsungli Yamen
write" "Silk and cotton are
"Chinese native produce of
"great importance. In the foreign
"treaties it is clearly stated
that

"that foreigners can trade
"and work in all the open
"ports and the local authorities
"have no power to stop this.
"But there is no paragraph
"that allows foreigners in the
"open ports to carry on
"manufactures with native
"produce. Now if Chinese
"merchants in Shanghai start
"a cotton Yarn Company
"it is to change export produce
"into other kinds of goods.
"By this not only the Chinese
"would suffer loss, but the
"revenue would be reduced
"As the above is not expressly
"allowed by the treaties, the
"Taotai did not act against
"them by issuing his
"prohibitory proclamation."

I have
enclosed a copy of this
despatch from the Tsungli
Yamen

Cannon. On receipt of your collective note wishing me to do away with this prohibition I carefully examined all the circumstances and find that it is difficult to carry out your wish. As the Weaving Company has only just been started by the Ceylon Government the Government has to find means to protect it.

I find that the foreign emblem is to grant a patent (a privilege) for a new invention. Weaving by machinery is a new invention as far as Ceylon is concerned and must be treated accordingly. If Ceylon foreigners start a Cotton Yarn Manufactory it will be the same with silk, satin, gauze and crape can also

also be made and the ruling off of cocoons can be done with foreign machinery. Chinese require many days to do what a foreigner can do in a few minutes. Chinese use much labor and expense whereas the foreigner saving time and money can sell at any price. Of course we can not compete with him.

The consequences would be that the Chinese workmen would give up working and what could I do with all these millions of men, that have lost their work. The country would become robbers, the weaker beggars and the local authorities would not be able to keep them in check they would be robbing and

stealing

stealing, and the state of affairs would be worse every day. The Japanese merchant will lose his peace because order has ceased and the foreign merchant will not be able to make things better.

But now I will not write any more about the Japanese merchant losing his business, I will only allude to Korea. This will be learned and will, in any case, not be as before, for instance a — emigrating Japanese will be able to buy the foreign made silk &c which in appearance is the same, carry it inland and he will be thereby able to evade duty, as the Customs officials will not be able to distinguish it. This will cause much — disturbance both for the Government and the people.

The

The above are my reasons for instructing the Shanghai Taotai to communicate with you and to ask you to put a stop to the above mentioned manufactory.

Allow me to make one more remark. You and all the other consuls in Shanghai having lived so long in the settlements and seeing the progress of trade must be perfectly acquainted with the state of Chinese foreign trade; for this reason it is unnecessary for me to say any more.

Please to communicate with the other consuls and let foreign merchants be forbidden to start any such manufactory.

By so doing Chinese

between foreign trade will be more prosperous.

I have the honor to be,
Gentlemen,
Your obedient servant,
To
Governor General of the
two Kiangs
&c, &c., &c.,

True translation
(signed) K. D. Struick.

Despatch 138
(Sub) Enclosure 3

United States Consulate General,
Shanghai, November 29th 1882

His Excellency,
Tso Tsung Tang,
Viceroy at Nanking,
&c., &c., &c.,

Sir:-

Some time ago when I visited Nanking and had the pleasure of an interview with Your Excellency I handed you a statement (in the matter of Mr Wetmore's Cotton Yarn Company and his compradore).

Now with reference to the charge against Wang Kah Ming it arose from the fact of the American firm of Fraser & Co. and the proprietor of the firm Chang Yuan Mow selling shares to form a Cotton Yarn Company Wang Kah Ming is the compradore to the firm of Fraser and

and

and company. and has always
been considered a man of
integrity and worthy of trust.
His employer, an American
merchant reposes special
confidence in him. Li Shao Shan
is a man well versed in
business matters and thoroughly
understands the markets,
and in consequence he was
requested by the manager of
the firm of Frazar & Co. to
assist him in various
business enterprises.

But all
of a sudden the Director of
of the Shanghai Lastly Cotton
Company, King Shao Tu,
being inspired with envy
and malice has attempted
to monopolize the business
for his own interests, and to
do this he has dared to accuse
unjustly two innocent persons,

the

the one on the ground of
having at one time assisted
the rebels, and the other of
having evaded the payment
of the proper customs duties
and Inland taxes. by so doing
he has endeavored indirectly
to injure the Cotton Yarn
Company and to cause it
to dissolve, without appearing
personally to have assisted in
the company's demolition
It seems necessary, therefore,
that I should lay before Your
Excellency without reserve or
restraint in what manner
the Shanghai Cotton Cloth
Company has endeavored to
interfere with the Cotton
Yarn Company.

The Cotton
Cloth Company was formed
exclusively for the purpose
of manufacturing Cotton

Cloth

cloth, while the cotton Yarn
company was formed for the
sole purpose of weaving
cotton Yarn, lest they cannot
collide or interfere with each
other and each ought to
enjoy its own privileges
and rights. But King the
Director of the cotton cloth
company seeing that the
cotton Yarn business would
be a lucrative one, desired
to monopolize the manufacture
of Yarn as well as that of
cotton cloth and then secure
to himself the absolute
control of of the markets for
both branches of trade. He
fully understood that the
love Your Excellency has for the
people, is as the love of
parents for their children
and moreover he (King) knew
fully well that, if G. E. should

happen

happen to hear a report to the effect that the agricultural or spinning industries of the nation were likely to be interfered with it would cause you serious displeasure and that you would at once take strenuous steps to stop such endeavors.

I must inform H. E. however, that Cotton Yarn is an article entirely foreign and its import into Shanghai amounts to about 25000 piculs per annum, and the revenue collected on its distribution into the various ports can be ascertained and it in no way interferes with the native industries or the welfare of the people.

The management and control of the Cotton Yarn Company is in the hands of foreign merchants, neither Wang Koh Ming or Li Hung Chang has

has any authority in its affairs. In the manufacture of cotton yarn, China will surely receive benefit. It cannot prove detrimental to her interests. Cotton Yarn has hitherto been imported from foreign countries and if in future it is manufactured at Shanghai it will be beneficial not only to the country but also to the people, and I believe H. E. would be delighted to see the establishment of any undertaking which would prove beneficial to China.

Now with reference to the case of Wangyoshiming, if the charge against him of having formerly assisted the rebels were true he would have surely incurred the anger and displeasure of the Government authorities as well

well as the people and it would have been no easy matter for him to have escaped punishment, and his employer would never have trusted him up to the present time, more than 30 years. Kung Taotai being a high official of the Emperor presumes on his power as such for selfish ends and makes statements which are unfounded and by this means falsely accuses innocent and trustworthy Chinese for the purpose of robbing the interests of an American merchant. To attempt to injure a person in a secret and underhanded manner is very improper and decidedly in violation of treaty stipulations. Moreover if such actions are to be tolerated then in future false

false charges may at any time be made by persons actuated by jealousy or any slight enmity against Chinese in foreign employ placed in charge of business matters and the same be taken as prima facie evidence of the truth of the accusations, and the evil that would arise as a natural consequence would, I fear, be indescribable.

G. E. enjoys a reputation for being just and impartial in the administration of your office and it would not be difficult to ascertain on investigating the matter on which side guilt or innocent lie.

I am,

The Members of the Consular Body at Shanghai

Shanghai have addressed Your
Excellency in regard to the
subject of his communication
and I also have the honor to
lay before Y. E. the facts and
reasons of the injustice and
wrong done to Waughop Ming
and Tü Shaohsiang and ask
Y E to investigate the
matter thoroughly in a just
and impartial manner,
and to favor me with a
reply.

I have the honor to be,
Sir,
Your obedient servant,
(signed) J. D. Cheshire
United States Vice Consul
General in charge.

Despatch 138
Enclosure 4

Shanghai, Nov. 17th 1882.

Sir,

The undersigned Consular Representatives at Shanghai of the various Treaty Powers have the honor to make jointly and severally the following communication to Your Excellency:

In August last a resident of Shanghai and a citizen of the United States of America, W. S. Wetmore Esq. of the firm of Messrs Frazar & Co. undertook the formation of a company for the manufacture of cotton yarn. After having succeeded in securing the necessary number of subscribers with nearly half the capital paid up, further

progress

progress was arrested by the action of the Chinese local authorities who issued a proclamation prohibiting Chinese subjects to buy shares and even attempted to arrest two shareholders of the company, one of whom being a comprador in Mr Wetmore's employ, on charges seemingly of a different nature of which, however, it is only too probable that they were in reality accused on account of the connection of the accused persons with the enterprise opposed to by their accusers.

The treaty counsels considering these proceedings as injurious to foreign trade, generally have tried to induce the authorities from whom they originated to withdraw the prohibitory

prohibitory notice, but without effecting their endeavors, being met by the reply that the Taotai was acting in this case under instructions from his superiors. With regard to the warrant granted against Wang Comprador, the Consular Representative of the United States refusing to sanction the same the arrest so far could not be executed, while on the other hand the warrant has also not been expressly withdrawn.

The Treaty Consuls being unanimously of opinion that the action of the local authorities ought not to be sustained, see no other way but to appeal to Your Excellency's wisdom Knowing that the treaty right of carrying on trade and

industry

industry will not wilfully be infringed by the High Commissioner of H.M. the Emperor of China and failing to see why Chinese subjects should be prohibited from joining their foreign friends in any lawfull industry or commercial enterprise they cannot but think that if the instructions above referred to really emanated from your Excellency the circumstances of the case must have been misrepresented to you. The undersigned confidently expect that having reconsidered the matter in its true light Your Excellency will come to the conclusion to prevent any further interference with the enterprise in question on the part of the local

local authorities as they have the honor to request you most respectfully to issue the necessary instructions to that effect.

Hoping that you will favor us with a kind reply to be addressed to Dr. Focke, N.G. His Consul General and Doyen of the Consular Body.

We have the honor to be,
Sir
Your obedient servants
Consular Representatives
of
Austria and Hungary.
Belgium.
Denmark.
Spain.
Germany.
Great Britain.
Italy.
Japan
Netherlands

(signed)

Portugal,
Russia
Spain,
Sweden and Norway
United States.

To
His Excellency,
Tsoo Tsung Tang.
Governor General of the two Kiangs
Nanking.

No. 121.

Acknowledges receipt of despatch No. 25 of April 25, 1883. Prints Mr. Zuck's report in the Courier. Reports after reading and studying it carefully.

DEPARTMENT OF STATE APR 23 1883 RECEIVED

FOREIGN 1883

Legation of the United States

Peking, 5th February, 1883.

Mr. John Russell Young

to the

Secretary of State.

Subject:

Railway progress in China.

Synopsis:

Mr. Young forwards a report upon the condition and management of the first railway in China, made by Mr. Conrad Zuck, under the orders of the Legation. Mr. Young commends Mr. Zuck's report, and asks the Department to accept it, and to approve his action in ordering it as an important contribution to the history of civilization in China.

No. 121. One Enclosure.

Legation of the United States.
Peking, 5th February, 1883.

The,
Honourable
Fred.k T. Frelinghuysen
Secretary of State.

Sir,

There is no subject in which the Western Nations are so much interested, so far as China is concerned, as the introduction of railways. The history of the Woosung Experiment at Shanghai, and the summary end of it, are well known to the Department

Department. It is now believed that under more discreet and conservative direction the Woosung Railway would have been tolerated, and other railways would have followed. No pains were taken however to consider Chinese prejudices. The result was that the authorities bought the road from its owners at at a price which gave them a good profit on their investment, tore up the rails, and sent them to Formosa.

Since that time the Chinese have resisted all attempts to introduce railways. The Viceroy Li has memorialized the throne

in

in favour of such a railway as would strengthen the defences on the Russian frontier, and enable grain to be carried from the seaboard into provinces threatened with famine. Re-actionary influences have thus far prevented the throne from granting his prayer.

The Legation learned some time since that in the province of Chihli - his own dominion, a small railway had been constructed quietly, under the Viceroy's orders to "assist in the development of certain mines". It was generally understood, however, that the enterprise was intended by the Viceroy to be the first step in a general ~~line~~ railway

railway system, and to be entirely under Chinese control.

Anxious to acquaint you with all the facts surrounding this most interesting and important experiment. I requested Mr. Tuck our Consul at Tientsin to visit the mines and railway, as they were near his post of duty, and make a report upon their prospects and management.

This service Mr. Tuck has performed, and I enclose you his report. The Department will I hope regard it as a valuable contribution to the history of Chinese progress towards Western civilization.

1/121.

Trusting

Trusting that my action -
will meet with the approval of the
Department.

I have the honour to be,

Sir,

Your obedient servant.

[signature]

— Enclosure. —

1. Mr Zuck to Mr Young.

No 34 January, 30th, 1883.

Mr Young to Mr Zuck.

No 9. December, 16th, 1882.

" 12. January 31st, 1883.

print

Despatch 121

No 9. Enclosure 1

Mr Young to Mr Zuck.-

Peking, 16th Dec., 1882.

Sir,

I enclose you a letter from a correspondent of a Shanghai journal in reference to the Kai-ping mines and railway. This whole subject especially of railways is one in which America takes a deep interest. When I was in Tientsin last August, on my way to assume charge of the Legation I requested an American gentleman, in the service of the Viceroy and employed at the mines to send me some account of them and of the railway also for the Department. As I have not heard from him, I presume he has not found it convenient to do so.-

I wish you could arrange

to

to visit these mines personally and examine them as well as the railway. I am anxious to have all possible information as to the road, its cost per mile, its management, its success as an investment, its popularity as a means of transit for freight and passengers and the possibility of its extension. As this road will, unless the Government tears it up, as was done in Shanghai with the Woosung railway be the nucleus of any extensive system, it is important that the Department should be in a position to give people at home who may take an interest in Chinese progress all necessary information. I am not without the hope that a comprehensive report will attract the attention of American Capitalists to the subject. America is the first railway nation in the world, and the Legation would take pride

in

in seeing American enterprise -
and American ideas govern the
development of the Railway system
in China.

It may be well not to say
anything about your visit or the -
reasons for it. It might awaken
groundless suspicions, misrepresenta-
tions and perhaps thwart the ~~m~~
object of your visit. This you must
consider before making any applica-
tion to the Viceroy for facilities.
Such an application is hardly -
necessary and you must use -
your own judgement about making
it.

I am &c. —

(Signed) John Russell Young.

Omit

Despatch 121

No. 34. Enclosure 1

Mr. Luck to Mr. Young.

Tientsin, Jan. 30th, 1883.

Sir,

I now have the honour to hand you herewith my report on "Kaiping Mines and Railway etc".- in reply to your despatch of the 16th day of Dec. 1882. -

Trusting that the same - may meet your approval.

I am &c. —

(Signed) Jas. C. Luck.
U. S. Consul.

{Inclosure in No. 121.}

The Kaiping Mines and Railway.

Report by Jas. C. Zuck, Esquire.
U. S. Consul.

The Kaiping mines are located about 41 miles north-north-east from Tientsin, and the entire distance between the two points is a low treeless plain traversed by numerous rivers and canals. The land at the mines recedes to the south, and on the immediate north are low hills, which gradually rise in the distance to a mountain range.

The "Chinese Engineering and Mining Co." or what is more commonly known as the "Kaiping Mining Co." was organized some five years since.

The present Engineering staff is

is as follows:-

C. N. Kinder, Chief Engineer.

J. M. Molesworth 2nd " —

J. Stevens. 3rd " —

E. H. Buttles, Chemist and —
mineralogist.

R. M. Brown, Secretary.

The number of men employed by the company in its various operations is about 1000, all of whom are Chinese but twenty. The mines have been worked since the year 1874, but the present company only commenced operations about four and one half years since, when shaft No. 1. was started and sunk to a depth of 200 feet. It was then stopped and drifts driven through the stone, cutting various coal seams, previously explored by a diamond drill to a depth of 600 feet; after which the up shaft or No. 2. was started, and sunk to a depth of 300 feet.

feet, when another stone drift was driven. It is the coal lying between these two drifts that is now being worked. In the spring of 1881, work on No. 1. shaft was resumed, and at the time of my visit was down to a depth of 300 feet. Ingersol rock drills were used when the stone was very hard, but in the softer shales hand labour proved most economical. Musket powder of excellent quality manufactured at the Tientsin arsenal was used for blasting purposes, which was ignited by means of electricity, and as many as 60 holes being fired at one time. Owing to an accident with dynamite the sinkers refused to use it longer in the shafts, which delayed the progress of the work fully one half. These shafts are 14 feet in diameter and are walled with limestone, taken from the adjacent quarries of the company.

The

The water met with at times has been very considerable, but the present daily average is not over 40 cubic feet per minute. To prevent delays on account of the water, heavy pumps are provided consisting of two 20-inch bucket sets, and two 20-inch forcing sets, the latter being the top lift. These pumps are worked by two Davy direct-acting differential Compressed air Engines of the most recent type. At the winding shaft No. 1. a horizontal winding engine has been erected capable of drawing 1,000 tons of coal per day. The head pulleys are 12 feet in diameter and the drum 18 feet, and is manipulated by English winders. At No. 2. Shaft a small geared Engine is used which raises about 300 tons of coal per day, but will soon be replaced by a direct acting Engine, now being -

being built in the company's shops; the up cast being provided with an air lock.

The ventilation is provided for by a thirty foot Guibal fan driven by a compound Engine with an auxiliary high pressure engine which can be attached in case of Emergency. The steam for these Engines is furnished by eleven boilers.

The repairing shops of the company are much more extensive than are usually required for a colliery, but it must be remembered that owing to the isolated position of the works, and the great necessity for immediate repairs, such works are absolutely necessary. Apart from this the Railway, Canal, and Wharfs draw largely upon its capabilities.

Gas also is manufactured by.

by the usual apparatus entirely constructed on the premises. The offices and works are now lighted by gas, and arrangements are now being made to light the mining college, official residences, men's houses and main street of the village, which is rapidly growing.

The brick works are quite extensive. The preparation of the clay is done by machinery, the moulding plant not having arrived at the date of my visit. The hand moulding heretofore has not been satisfactory and has necessitated the use of machinery. It is also the intention of the company to manufacture paving tiles and pottery, for which there is a large demand.

The buildings of the company are mostly built of limestone, red, blue, and white brick.

Following

Following the line of the Railway northward about a half mile distant from the colliery, are found large quarries of limestone. It is intended to use machine drilling, and the best appliances to secure a steady output of building stone, for which a large demand exists.

The coal at Taiping lies at an average dip of 45°, and it consists of several seams divided by shale and sandstone rocks. The slope drifts up to date have already cut 12 seams seven of which are at present workables. The quality of the coal, when compared with that found in America and England, is without exception inferior and resembles more closely the coals found on the European Continent. It is true that the coal from seam No. 5. is Equal to Newcastle in purity

purity but unfortunately is friable to stand rough treatment. It is nevertheless claimed to be a superior coal in every way to that procurable from the far-famed 'Takashima' of Japan. No. 8 is a hard coal, but leaves much ash. The seams now workable vary from 4 to 20 feet in thickness. At the present time the amount of coal raised is from 250 to 300 tons per day, but on completion of No 1. Shaft an out-put of 500 tons per day can be very easily maintained.

During the winter months a native demand for small coal exists up to 150 tons per day; the superior coal being shipped to Tientsin in the Spring. The demand for coal at Tientsin is more than the mine can furnish, and there would be no difficulty in disposing of 500 tons per day.

Boke.

Coke is also made by a modification of the native system there being a fair demand for best qualities for foundry and domestic use. During the summer small coal is washed by means of special machinery of French type. There is also powerful machinery for the manufacture of compressed bricks made from small coal for fuel.

Railway.

On the formation of the company it was intended to build a Railway either to Peking or Sutai a distance of some 30 or 40 miles, but the authorities at Peking looked with so much disfavour upon the project that the company were compelled to abandon it, and a canal was reluctantly started over the low ground from Sutai to Sin-Kow

Shu-kow Chang the present ter-
mination of the Railroad. It
was with great difficulty that the
permission to build even this short
line of seven miles was obtained, -
and had to be laid out several
times before the land could be
procured and various obstructions
such as graves removed. It
might be well to state in this
connection that the sinuous
course of portions of the canal
is due to these same causes.
This seven miles of Railway was
originally laid down for horse
tracking, precaution being taken
to make the bridges sufficiently
strong to carry heavy locomotives
at some future time. The
question of adopting a light or
heavy rail was a difficult one
to decide, and unfortunately as
present events now show a light
steel rail of 30 pounds to the
yard

yard, imported from England, was laid. If it had been deemed possible by the company, that locomotives would have been so soon permitted heavier rails would have been used. The country traversed by the road is quite level, and required but little grading, - and but one creek of any size is crossed, which is spanned by an iron bridge constructed at the works of the company. The road is of the ordinary guage, and is ballasted with limestone from Kaiping.

The rolling stock consists of: three ordinary coaches for passenger travel, each of which is divided into two apartments for the accommodation of second and third class passengers, which were imported from England; One first-class passenger coach, built at Kaiping, and intended for the use of high officials, and

in

reminding
in point of elegance reminds one of the Pullman palace car; fifty coal trucks, the frames and running gear imported from England, and set up and timbered at Taiping, and having each a capacity ranging from 12 to 20 tons; and three engines.
Engine No. 1, called "The Rocket of China" was built at Taiping.
The history of this the first locomotive built in China may be of some interest especially as it is also the first standard guage (4 ft. 8½ inches) ever used in China. Her dimensions are as follows;
8 in outside cylinders.
15½ in. Stroke.
6-30 in. wheels 4 coupled.
being hurriedly and hastily built, she was not intended for a very long life, but was simply intended as an introduction to more powerful and

and better Engines from abroad.
~~Nanping~~ She has safely run about 70,000 miles,
doing the whole work of the company
on the line for over one year. About
Sept. 1882 Engines Nos. 2 and 3
were imported from England and
set up at Nanping.

— Trains. —

Six round trips are run daily,
time 20 minutes each way. 2nds
& 3rd Class passengers pay 5 and
4 cents respectively each way. The
first class coach is not in general
use, but is run for high officials
only, and no fare is charged.
The passenger travel pays current
running expenses of train. An
average of 135 to 150 tons of coal are
daily carried over the road, 20
tons of coke, 25 tons of limestone,
and with other general freight
amounting in the aggregate to
about

about 200 tons per day. There is coming up over the road, timber machinery and general supplies for the company. At present no outside freight is carried owing to the prejudice of cartmen, or rather it is not deemed advisable to interfere with local cart traffic. The Chinese residing in the vicinity of the road outside of those whose land was taken, look upon it with much favour and are disposed to patronize it. The engine is controlled by an English engineer, all other employees are Chinese. - All level approaches to the track such as cart roads are protected by gates and watchmen or gate keepers, who act as signal men, thus giving a continuous line of signals for the whole track. Midway there is a depot or station house (built of stone and brick), and side track, and it is the intention of the

the company to run double trains, as soon as the quantity of coal is increased. The cost of the Railroad cannot be estimated for the reason that it was constructed with the development of the mines and other improvements at the works, and all accounts also being kept in Chinese. As has been stated the present track is being extended about a half or three quarters of a mile northward to the limestone quarries. It has been often said, why was not the material of the Woosung Railway, purchased by the Chinese, - used in the construction of this road; but it is well to remember that the Woosung line had a guage of only 30 inches and that there was an - intention to use what remained of it in Formosa. It would have - been a very grave error to have used such a light road, as an extension of the present line is by no means - improbable, when the obstruction of

the

the authorities once ceases. There can be but little doubt that the establishment of Railways in China may be regarded as a fixed fact, and that the present road will be the nucleus of a great system of roads, which will be built in the near future. The fact that the Company has expended so much money in the construction of the Sutai canal, may delay the extension of the road for a little time, but it must be remembered that the canal was only constructed to meet a pressing necessity, and the Railway can be extended in a direct line from Shui How Chang to Pe Tang the seaboard, a distance of 30 miles, and over a good ground for its construction.

Sutai Canal.

This canal commences at Shui How

Now thang the present terminus of the Railway, and extends to Sutai on the South a distance of 21 miles, connecting with the Ze Tung river from whence it derives its water supply. It is 66 feet wide at the top or surface of the ground, and 16 feet at the bottom greatest depth of water 8 feet, and lowest 3 feet. 100 Boats are now being built for the transportation of coal on the canal, at a cost of $150 each, with a carrying capacity of 25 or 30 tons each. These boats are to be towed by steam barges. The canal is crossed at numerous places by bridges constructed of iron with ~~and~~ limestone butments. The gate to the canal is at Sutai, and is well and substantially constructed, and would be regarded as a very creditable piece of work in any western land.

Chemical

Chemical and Mineralogical Department.

This Department is located at Kaiping, where the company has but recently erected a number of substantial buildings built of stone and brick, and furnished with all the modern appliances for assaying and testing ores and metals. A school has also been started in practical Chemestry and mineralogy. The class is now composed of seven of the young Chinese students who recently returned from America. This department is under the superintendence and supervision of Prof. E. H. Buttles of Ohio.

Telephone and Telegraph.

Je

In april of last year the work of electric communication was inaugurated. The main line of the company from Kai ping to Tientsin 99 miles, was completed as far as Sutai a distance of 30 miles from Kaiping in October 1882. The remainder is to be finished early in the present season. This line will include five stations, all being on the company's line of coal transit. The approximate cost of line ~~biro~~ $100.- per mile. The poles are 28 feet in length, of Foochow wood - the wire "B.W.G 8. English," and the insulators are of English make. This line is to be used in connection with telephones for way stations and telegraphs for the termini. The telephones are of the Bell-Edison system, the telegraph on the American plan (closed circuit). The line follows the Railroad, Sutai Canal, Pe Tsung river, Ku

Tsung

Yung canal, and Peiho river to Tientsin. For 27 miles the wire is hung on the poles of the Government lines. The local communication of the company comprises six telephone lines centered in Exchange at the main office of the works. These lines are of the average length of about one half a mile each. System the same as the main line. These various lines were constructed and are under the management of Prof. E. K. Bullen the electrical Engineer. The labour used in the construction and maintenance of the lines — including operators being Chinese.

(~~Signed~~) Jas. C. Zuck.
U. S. Consul.

U. S. Consulate.
Tientsin. Jan. 30th, 1883.

No. 12.

Despatch 121
Enclosure 1

Mr Young to Mr Zuck.

Peking, 31st Jany, 1883.

Sir,

I have the honour to acknowledge your despatch No. 34. in reference to the Kai ping mines and railway. Please accept the thanks of the Legation for your full and prompt report, which I have no doubt will be most acceptable to the Department as a valuable contribution to the history of progress in China.

I am &c.

(Signed) John Russell Young.

DEPAR

No. 122 / Copy to Navy Dept. Apr. 7 '83 Chr. / during

Legation of the United States.

Peking, 6th February, 1883.

DEPARTMENT OF STATE
APR 23 1883
E.V.

Mr. John Russell Young

to the.

Secretary of State.

Subject:

Movements of American naval vessels in Chinese waters.

Synopsis:

Mr. Young forwards certain correspondence between the Legation, Admiral Clitz, and Commander Mullan of the Ashuelot, as to the movements of our Navy in China [and asks the Department to approve his action. Where does he ask this? ask]

Confidential. One Enclosure.

No. 122.

Legation of the United States

Peking. 6th February, 1883.

The Honourable

Fredk T. Frelinghuysen.

Secretary of State.

Sir,

I have the honour to en-

enclose for the information of the en- 1/122

Department copies of letters which

have passed between Admiral Clitz,

Commander Mullan, and the Legation,

in reference to the presence of our men-

of-war in Chinese waters.

I

I have the honour to be,

Sir,

Your obedient servant

Thos Russell Young

Enclosure.

1. Mr Young to Admiral Fitz.

No. 10/1883. January, 24th, 1883.

Admiral Fitz to Mr Young.

No. 4/1883. January 2nds, 1883.

Commander Mullan to Mr Young.

No. 6/1883. January, 8th, 1883.

Mr Young to Commander Mullan

No. 11/1883. January, 24th, 1883.

Commander Mullan to Mr Young.

Telegram. January, 7th, 1883.

Mr Young to Commander Mullan.

Telegram. January, 9th, 1883.

Copy.

No. 10/1883. Despatch 122
Enclosure

Mr Young to Rear Admiral Clitz.

Peking January 24th 1883.

Sir,

I have the honor to enclose you a copy of a despatch received from Commander Mullan of the Iltchelot, announcing his arrival in Shanghai, - and also a copy of a letter I have sent in reply. -

I have also to express my acknowledgments of your prompt acceptance of my suggestion that it would be well for our flag to appear in Chinese waters, and especially at ports like Amoy, Foochow, Swatow & Shanghai, where we have seen so many recent manifestations of distrust

and

and aversion towards foreign interests. Until the question of the right of foreigners under the treaties to manufacture at the open ports is settled, I am very much afraid that we must anticipate from the Chinese authorities a renewal of the acts of violence, which in the case of Mr. Wetmore succeeded in destroying an American interest and causing him loss and damage.- It is therefore well, to be prepared to protest against these acts.- I wish I could note an improvement in the temper of the authorities on this subject. I regret to see different sentiments. This is also the experience of some of my colleagues, who have been living in China, and who do not hesitate to say, in our private conferences, that they view the situation with concern.-

This

This I write because I think it best that you should be well informed as to the feelings among those in Peking who have the best means of knowing the inside movement of affairs. I still cherish the opinion, however, that a complete understanding will come as the result of diplomatic negotiations, and that the Chinese will see that nothing will do them more harm than the mischievous and unfriendly course of officials like the Viceroy of Nanking, and others of lesser rank and station who have followed his example.

Since writing the above I have had the honor to receive your letter from Hongkong, dated January 2nd, and now again

again express my thanks for your ready and cordial — appreciation of the situation of affairs. I do not think the Richmond necessary at — Shanghae. The mere presence of our flag at points where we have these unfortunate — manifestations of Chinese unfriendliness, is as much as is needed. — I am very glad to know that you are in China, and that I may be able to communicate with you at any time.

I am etc

(sig.): John Russell Young

Copy.

No. 4/1883. Despatch 122
Enclosure 1

Admiral Clitz to Mr. Young.

Hongkong, Janr 2nd 1883.

Sir,

I have the honor to acknowledge the receipt of your interesting letter of November 24th last.

Immediately upon its receipt I telegraphed to the 'Ashuelot' now, I believe at Shanghai to remain there until otherwise directed.

By this mail I enclose to Commander Mullan, a copy of your letter and instructions to telegraph at once to you. He will watch the progress of events there, and will cooperate with you.

Rest

Rest assured of my hearty coöperation in this important matter ÷ I will proceed to Shanghai in the Flagship if you think my presence there necessary.

In the meantime be pleased to inform me of the progress of affairs and furnish me with your views from time to time.

Commander Mullan has been instructed to regard your letter as confidential.

Very respectfully etc
(sig.) J. M. B. Clitz.

Copy.

No. 6/1883. Despatch 122
Quebec

Commander Mullan to Mr. Young.

Shanghai, Jan. 8th 1883.

Sir,

I have the honor to advise you that I arrived in this port from Nagasaki, Japan, on the 25th ultimo.

On the 7th inst. I received a communication from Rear Admiral Clitz, dated Jan 2nd, Hongkong China enclosing a copy of your letter to him, dated Nov. 24th 1882 in relation to the case of Mr. Wetmore, and other questions which have lately arisen between the Chinese Authorities and foreign interests seeking investment at this port and hereabout.

Immediately

Immediately upon the receipt of this letter from the Admiral I put myself in telegraphic communication with you, advising you of my presence here, hoping it would convey to you a knowledge of the fact that the Admiral was in receipt of said letter, and that my telegram would be somewhat of an answer to the same.

After reading the copy of the 'confidential' letter, transmitted by our Admiral, I put myself in communication with Mr. Cheshire, U.S. Vice Consul General, who informed me that the case of the warrant for the arrest of the compradore of Mr. Wetmore, whose enterprise was mentioned in your communication, had been properly considered, adjudicated and that with the approval

of

of all parties concerned.

In my opinion, and I have no doubt the admiral will entertain the same, the questions raised in behalf of Mr. Wetmore were justly taken, properly adhered to and maintained by our representative here, as well as by yourself.

Mr. Cheshire informs me that the other, more vital question as to the treaty-rights of an American to enter into an enterprise, as in the case of Mr. Wetmore, and wherein nations might become participants in the same, is still in abeyance or unsettled; and that it will rest with you and your brother diplomatists in Peking to finally impress on the Chinese government the propriety, right and justice of such an enterprise and native co-operation, and the determination

of

of our respective governments that these treaty-rights, based upon justice and common law, shall not be infringed upon by any one, having temporary power and who may be imbued with whimsical, capricious and antagonistic feelings towards the foreigner.

My visit to this port is in obedience to an order from Admiral Kitz, it being one of the treaty ports to touch at in China on my way to Hongkong and it is in response to your letter, which caused him to direct me to remain here until further orders from him.

I hope to keep myself frequently informed of affairs from Mr. Cheshire and yourself, that I may the more properly inform the Admiral of the condition of affairs in and about Shanghai

Shanghai, and I beg to say in his absence that the American Authorities here, and yourself will have no warmer or more zealous co-operator than he, in all questions arising, based on justice, right and law.

Trusting that you will keep me fully informed as to the condition of pending questions and of any service I can render,

I remain etc.

(sig.): H. E. Mullan.

Copy.

No. 11/1883. Despatch 122
Enclosure.

Mr. Young to Commander Mullan

Peking, 24th January 1883.

Sir,

I have the honor to acknowledge your despatch, the receipt of which I also — acknowledged by telegraph — announcing your arrival in Shanghae with the U. S. S. Ashuelot under your command.

I have nothing further to add to my letters to the Admiral, the purport of which he has I learn submitted to you. — The closing of navigation — makes communication with Shanghae difficult and tedious. The special incident, in which Americans are concerned, namely the

the interference with Mr. Wetmore's interests has for the present come to an end. The same tendency may appear in another form and in antagonism to other American interests at Shanghae. For that reason and until we have the assurance of a more friendly feeling towards foreigners in China, than has recently been shown by the authorities. I think the presence of our flag in China and especially in the waters of as important a port as Shanghae an advantage, and I am very glad to know of your arrival.-

I am etc

(sig.): John Russell Young.

Telegram Despatch 122
Enclosure

Capt. Mullan to Mr Young

Shanghai,
January 7. 1883

Ashuelot arrived. Await
Admirals orders. Will
write.

Mullan.

Telegram Despatch 122
Enclosure
Mr Young to Capt Mullan
January 9th 1883.

Mullan
Commanding Admiralty
Shanghai.

Despatch received
will write
Young.

No 123

Irving



Vice Off. Acad
Apr 25. 83.
Cir Ltr

Legation of the United States
Peking, 7th February 1883

Mr Young to the
Secretary of State.

Subject.

A complaint as to irregularities
in the Shanghai Customs
service.

Synopsis.

Mr Young forwards the complaint
of Messrs Fearon, Sons and Co,
American merchants doing
business in Shanghai, setting
forth

forth certain irregularities on the part of the customs authorities as to the payment of drawbacks. Mr Young reports that he has submitted the case to the Foreign Office, as well as to the Inspector General of the Customs, and encloses the correspondence.

No. 123. Three Enclosures.

Legation of the United States.
Peking, 7th February, 1883.

The Honourable.
Fredk T. Frelinghuysen
Secretary of State.

Sir,

I have the honour to enclose for your information, certain correspondence in reference to the management of the customs in Shanghai. Messrs. Fearon, Low & Co., complain that the Chinese authorities do not show proper attention to their rights and 1/123.

and interests in the cashing of drawbacks. Mr. Thestrine reports that merchants suffer in consequence great loss and inconvenience.

I brought the matter to the attention of Sir Robert Hart, the Inspector General of the Imperial Customs, and enclose his letters.

2/123.

I have as you will observe, written to Shanghai for the further information required by the Inspector General, and trust I may be soon able to report such an amendment in the customs regulations as will remove all cause of complaint.

3/123.

complaint.

I have the honour to be,

Sir,

Your obedient servant.

[redacted]

Enclosures.

1. Mr. Cheshire to Mr. Young.

No. 139. January, 16th, 1883.

2. Sir Robert Hart to Mr. Young.

Letter. 5th February, 1883.

3. Mr. Young to Mr. Cheshire

No. 48. 6th February, 1883.

No. 139. Despatch 123
Enclosure 1.

Mr. Thestire to Mr. Young.

Shanghai, January, 16th, 1883.

Sir,

I have the honour to enclose a copy of a communication which I have received from Messrs. Fearon, Lowbo., wherein they complain of the great inconvenience, and loss to Merchants, caused by the delay on the part of the I. M. Customs in cashing duty drawbacks on re-exports.

It would greatly facilitate the interests of Merchants, if Certificates, such as Messrs. Fearon, Lowbo. - suggest, were issued by the Customs to be cashed upon presentation.

I am &c. -

(Signed) F. D. Thestire.
Vice Consul General in charge.

— Enclosure —

1. Messrs. Fearon, Lowbo. - to Mr Thestire.

Messrs. Fearon, Lowe & Cheshire.

Shanghai, January 15th, 1883.

Sir,

We beg to call your attention to a matter of injustice in the practice of H. I. C. M. Customs which causes great inconvenience and loss to merchants that is - the delay in cashing duties drawbacks on re-exports.

In shipment of hides for instance the hides purchased in this market have paid full duty in Hankow and are entitled to a return of duty when re-exported but the document received from H. I. M. Customs which represents this amount collected by them in excess, is useless for any other purpose, and can only be made use of in Hankow so that often nearly a year elapses before the over paid duty is refunded. We believe that this matter has been at times brought to the notice of the Foreign Ministers in

Peking

Peking, but nothing has yet been done to remedy the abuse and we venture to request that you will again call the attention of our Ministers to it with a view of obtaining in case of re-exports such certificates from the Customs as shall be immediately cashed by them without the long delay which now occurs

We are &c

(Signed) Fearon &c.

Despatch. 123
Enclosure. 2.

Sir Robert Hart to Minister Young.

5th. February, 1883.

Dear Mr. Young,

I return the Pearson, Low &c. complaint concerning delay in cashing drawbacks on Chinese Goods sent from Yangtze ports to Shanghai for re-shipment foreign.

I shall presently send you a few remarks that occur to me in this connection, but, as the point has come up, I should like the complainants to support their plaint by giving a few facts and figures. E.g. Will you kindly ask them to answer the following questions: —

1. In 1882 what quantity of Hides did

did you bring to Shanghai?

2°. Give a list of the several Shipments, with, in each case,

a.- the amount of duty deposited,

b. the date of re-export from Shanghai, and,

c. the date of realizing or using the deposit to pay other duties.

Yours very truly,

(Signed) Robert Hart.

5th February, 1883.

Dear Mr Young,

What I have to say about the cashing of drawbacks on Chinese goods from Yangtze ports reshipped foreign at Shanghai, is this:-

1° The original Treaty arrangement anent re-exports only provided for goods of foreign origin: if re-exported to another Chinese port, they were to be given an Exemption Certificate (i.e a document

document to be paid in again as the equivalent of duty, so much, on the rest goods passed at the Customs.)

2° No provision was made originally for the re-export of Chinese produce; nor indeed for its conveyance — coastwise.

3° A considerable time after exchange of ratifications, it was arranged — here between Legations and Yamên to recognise cabotage or conveyance of produce coastwise — the producer to pay a full Export duty where — shipped and a half-duty, or Coast Trade Duty, where discharged.

4° Subsequently it was further arranged that produce coastwise might be sent on to a third port from the ports first arrived at: the second port giving a Drawback certificate for the Coast Trade Duty paid in, and the third port again — attaching Coast Trade Duty; but there was one condition, — that the

the produce should not be subjected to any manipulation changing — either its packing or condition.

5.° Later on it was next arranged that produce thus in transit — might be repacked under Customs' superintendence.

6.° Later on it was arranged further that produce going foreign after paying both Export and Coast — Trade Duties should receive a Drawback for the Coast Trade Duties.

7.° At first the rule as to re-export required re-export to take place within three months: subsequently the period was extended to — twelve months.

8.° Later on another matter was arranged: Drawbacks, which could previously be used only in payment of duties, were allowed to be exchanged at once at the Customs banks for cash.

cash.

9°. The privilege of exchanging a drawback for cash entails no inconvenience if the exchange is effected at the same port where duty was paid and drawback issued; but as the Yangtze ports are on a special footing when the trade is done in Shanghai river steamers, a special way of doing things is called for.

10°. To facilitate the movements of these Yangtze River Steamers, merchants at once pay both Export Duty and Coast Trade Duty when shipping goods. [This enables steamers to discharge very expeditiously]. Thus, Hides, shipped at Hankow for Shanghai per river steamer at once pay at Hankow both Export Duty and Coast Trade Duty. Subsequently, if the shipper presents at Hankow a Shanghai certificate proving that

that the Hides went on, foreign or coastwise, from Shanghai within the twelve months allowed, the Hankow Customs give him a Drawback for the amount prepaid as Customs' duty: this Drawback can only be used for for paying similar Coast Trade Duties at Hankow, and this rule is the one the Complainants object to. If used for paying duties, the Hankow Customs, to keep their a/c square, will only receive it for similar Coast Trade Duties.

11°. I do not see that permission to exchange such Drawbacks for Cash at Hankow would do any harm or cause any inconvenience, but I have not the power to make such a rule: if you want it, you must apply to the Yamen here, and, to get it assented to, you will have to make many explanations and wait a considerable time for Hankow to be consulted

consulted. Amongst the —
explanations you may have to make,
will be this: that the hides are —
taken to Shanghai for the Tannery;
and then you'll have to fight the —
Tannery's battle. Do the Taotai allow
foreigners to establish Tanneries in —
China? (Vide French Treaty: 'se livrer
a leur industrie', is I think the
phrase in dispute). The Yamên,
in its present frame of mind, will
probably say 'no' if asked the question.
Is it worth while to ask the question
from the Tannery point of view? It is
to enable you to settle this point for
yourself that I have first suggested
to you to call on F. L. Nbo., for facts
and figures to show to what extent they
are suffering deserving of Legation and
Yamên sympathy, and second written
you this long account of arrange-
ments made by the Yamên post
treaties in merchants' favour.
but all of which arrangements —
were,

were, when made, over and above what the Treaties stipulated for or promised. Mercantile men — vis-à-vis the customs, are, as a rule, awfully "hard": it's all "take" and no "give" with them! Still, one can't blame them.

Yours truly,

(Signed) Robert Hart.

No. 48. Despatch 123
Enclosure 3

Mr. Young to Mr. Cheshire.

Peking, February, 6th, 1883.

Sir,

As a further reference to your despatch No. 139. in which you bring to the notice of the Legation, the delay attending the casting of drawbacks by the Customs authorities at Shanghai, I have the honour to say that the subject has been brought to the attention of the Inspector General.

The Legation is asked for information upon two points.

First. How many hides were imported into Shanghai, during the year 1882 by the parties whom Mr. Low represents?

Second. What is the amount

of

of the several shipments, and how much in each case was deposited as duty? When was the date of the re-export from Shanghai, and the date also of using the deposit to pay other duties.

I am not quite sure as to the bearing these questions may have upon the point at issue. This will no doubt be apparent to Mr. Low, and I would thank you to bring the matter to his attention.

I am &c.

(Signed) John Russell Young.

Asst. Sec. of State
April 25 83
Cipher

No. 124

during

DEPARTMENT OF STATE
APR 23 1883
RECEIVED

Legation of the United States
Peking, 8th February 1883

Mr Young to the
Secretary of State

Subject
A Bund at Kiukiang

Synopsis
Mr Young reports that he has, subject to the approval of the Department, consented to a proposed tax to be levied upon the inhabitants of Kiukiang for the construction of a bund.

No. 124 One Enclosure.

Legation of the United States.
Peking, 8th February, 1883.

The Honourable
Fredk. T. Frelinghuysen
Secretary of State.

Sir,

Mr. Grosvenor, Her Britannic Majesty's Chargé d'Affaires, called at the Legation and proposed that consent should be given to a proposed tax to be raised among the foreign residents at Kiukiang for the construction

J

of a bund. The residents had by vote agreed that in the interests of their business, the construction of a bund was advisable.

I said to Mr. Grosvenor that I should be happy to give my consent to the lease, and in doing so I felt assured that my action would meet with your approval.

I have the honour to be,

Sir,

Your obedient servant,

Enclosure.

1. Mr. Young to Mr. Grosvenor.

No. 15/1883. 3rd January, 1883.

No 15/1883. Despatch 124

Enclosure. 1.

Mr Young to Mr Grosvenor.

Peking, 3rd February, 1883.

Sir,

In reference to the subject of our conversation yesterday - namely the proposal of foreign residents at Kiukiang to levy a tax for the purpose of building a bund. I have the honour to say that so far as American interests are concerned the Legation approves of the measure and willingly gives its consent.

I am &c

(Signed) John Russell Young.

Telegram cipher

Legation of the United States
Tientsin February 9, 1883

Secretary of State
Washington

Chinese wish to offset
Hill claim with Canton
Indemnity. I cannot
discuss last. If you can
say Chinese Minister
payment Hill claim
ought precede action said
fund it will help business
here. Answer cipher.

Holcomb.

Received February 9. 1883

Legation of the U.S.
China, Feby. 9, 1882

No. 2.

CABLE MESSAGE.

THE WESTERN UNION TELEGRAPH COMPANY.

All CABLE MESSAGES received for transmission must be written on the Message Blanks provided by this Company for that purpose, under and subject to the terms printed thereon, and on the back hereof, which conditions have been agreed to by the sender of the following message.

THOS. T. ECKERT, General Manager.

NORVIN GREEN, President.

NUMBER	SENT BY	REC'D BY	CHECK
103 My	Pe	E	15

ved at 750a Feby 9 1882.

ated Tientsin

Secretary State

Washington

able received will obey may I
ccept eight interest bord Claims

Holcombe

Dec' 9 Feby

Mr Young

No 125. Confidential

DEPARTMENT OF STATE
APR 23 1883
RECEIVED

Legation of the United States
Peking, 9th February 1883

Mr Young to the
Secretary of State.

Subject
Russia and Corea.

Synopsis
Mr Young reports a rumor to the effect that Russia proposes to make a convention with Corea, and gives the impression that it will be independent of the existing

existing stipulations with
the United States.

No. 125. Confidential.

Legation of the United States.

Peking, 9th February, 1883.

Sir,

In my despatch No. 84 - I referred to the fact that the - Russian Government had not made a treaty with Corea, - and had shown no disposition to follow the example of England, Germany and the United States. I recently learned in an indirect manner that the Russian - foreign office had given orders to a high official in Siberia to - proceed to Corea in the Spring and negotiate a convention. -

The

The intent of the Russians in doing so is to regulate the trade along the Corean and Siberian frontiers, and perhaps rectify the boundary line in certain parts of Corea to make it more satisfactory to Russia.

I mentioned the rumour in conversation with the Russian Chargè d'Affaires, Mr. Waeber. In his reply he neither denied nor affirmed it, but left on my mind the impression that Russia did propose a convention of some kind with Corea, and preferred to make it in her own way without the knowledge

or

or the interference of the other powers. This would be in keeping with the general tenor of Russian policy in Asia.

I have the honour to be,

Sir,

Your obedient servant,

Thos. Rumbold

The Honourable,
Fred.k T. Frelinghuysen,
Secretary of State.

No 126

DEPARTMENT OF STATE
1 APR 23 1883
RECEIVED

accepted. 27 March 1883
grant 27 March 1883

Legation of the United States
Peking, 10½ February. 1883

Mr Young to the
Secretary of State.

Subject.

Mr Wetmore's interests in
Shanghai.

Synopsis

Mr Wetmore recites his
grievances in Shanghai in
consequence of the action
of the Chinese authorities
in suppressing his company
for

for the manufacture of cotton yarn. He claims damages to the amount of 55000 taels. Mr Young reports this claim to the Department and before presenting it to the Foreign Office asks special instructions

No. 126 Two Enclosures.

Legation of the United States.
Peking, 10th February, 1883.

The Honorable,
Frederick T. Frelinghuysen
Secretary of State.

Sir,

In my despatch — No. 109. I informed the department, that Mr. Wetmore had intimated to the Vice Consul General at Shanghai, his intention of presenting a claim against the Chinese Government — for damages because of the interference of the Chinese authorities with his — proposed company for the —

manufacture

manufacture of cotton yarn. I
have now the honour to enclose
1/126. you a copy of Mr. Wetmore's
formal demand, together with
2/126. some personal letters from that
gentleman to the Legation -
which will enable you to more
clearly understand his position.

Mr. Wetmore records the -
injuries to his business, and -
the direct losses in money --
sustained through the action of
the Viceroy of Nanking and his
subordinates. He asks the Vice -
Consul General to proceed against
two Chinese residents, who were -
mainly instrumental in doing
him harm for the sum of -

fifty

fifty-five thousand taels.

I have had occasion to say to the Department, that I believe Mr. Wetmore has been treated most unjustly. The claim for damages is not one, that I can in the present shape, urge upon the foreign office, without your further instructions. I have asked the consul-general to send me all the evidence bearing upon the subject, so that if in the opinion of the Department, Mr. Wetmore has a ground for reclamation, it will be in our power to make the case clear beyond any dispute

I have the honour to be,

Sir,

Your obedient servant

Frederick Low.

Enclosures.

1. Mr Belmore to Mr Cheshire.
   28th December, 1882.
2. Mr Belmore to Mr Young.
   Personal letters.-
   Mr Young to Mr Belmore.
   Letter. December, 23rd, 1882.

No 1141. Despatch. 126
Enclosure. 1

Mr. Threlfall to Mr. Young.

January 15th, 1883.

Sir,

I have the honour to hand you enclosed copy of a letter which I have recd from W. S. Wetmore, Esq. in regard to the effect the issuance of the warrant by the Nanking Viceroy, for the arrest of his Compradore has had upon the Cotton Yarn Company started under his auspices. 1/-

You will observe that Mr. Wetmore makes a claim for damages and for injury sustained through the wrongful breaking up of his Company &c. —

After careful consideration I have informed Mr. Wetmore that the matter had better be dealt with at

Peking

Peking and that I should take no action myself in the premises, unless instructed by the Legation to do so.

I am &c

(Signed) F. D. Fleshire,

Vice Consul General in charge.

– Enclosure –

No. 1. Mr. Wetmore to Mr. Fleshire.



Despatch 126
Enclosure one

Mr. Wetmore to Mr. Cheshire.

Shanghai, 28th Dec., 1883.

Sir,

Referring to my communication of the 8th September last, and to subsequent letters and interviews with respect to the steps taken by certain parties connected with the Cotton-Cloth Company, and by the Chinese Authorities to interfere with and break up the Cotton Yarn Manufacturing Company which I had organized. I now beg once more to draw your attention to the subject.

The last blow and the deadliest of all, aimed at my Company was as you are aware the order issued by the Viceroy for the secret arrest of my Compradore, and another Christian connected with

with the Company the first on the very serious charge of complicity with rebels, and the latter on the charge of evading the Customs and other duties.

As was manifest at the time, and as has since been demonstrated, these charges were absolutely false and without foundation and were made by persons connected with the Cotton Cloth Company and prevented the carrying out of the enterprise.

As a matter of fact as you are officially aware, at an investigation into the affair held before the Tao'tai in your presence, not only was there no evidence brought forward to substantiate such a charge, but no specific charge was made, and it was admitted by the Tao'tai that an act of injustice had been perpetrated and there was no alternative but

to

to withdraw the warrant that had
been issued.

Yet so virulent were the in-
parties who brought so infamous
a charge against my Comprador,
in their attack, that, but for your
firmness in refusing to counter-sign
the Viceroy's warrant and permit the
arrest, he would without doubt have
been dragged before that high official
at Nanking, and, on the mere —
statements of his accusers who are
influential men deprived of all
his property and probably of his
life as well, for it is known that
they went so far as to apply to
the Taot'ai for a guard of soldiers
to break into our premises and
take our servant away by force,
and also for an order to arrest the
members of his family. Intimation
of such a formidable nature especially
when backed up by the Viceroy —
himself could not fail to spread

Consternation

consternation among all the Chinese connected with my enterprise and I was soon besieged by applications from the shareholders to pay back their money and relieve them of their shares, which they feared would compromise them and lead to their arrest if found in their possession.

I firmly declined to do this at first but soon the demands became more pressing and some of the shareholders even went so far as to proceed in a body to the house of one of the principal men connected with the Company through whom the shares had been issued, and break up his furniture threatening him with personal violence unless the money was refunded. I had thus no alternative but to see those who had taken shares in my Company

Company arrested, threatened, mobbed, or yield to the pressure thus brought to bear, and refund the money when actually compelled to do so. While therefore I have given out publicly that I was not prepared to abandon the enterprise and take back the shares, I have actually been forced to go on doing so until the whole amount has been returned to the shareholders and the Company is thus virtually broken up.

Its organization cost me a great amount of time, labour and thought, as well as a considerable expenditure of money and by the breaking up of the Company, what I looked forward to as a most valuable branch of business for the future has been completely ruined

I was guaranteed by the Shareholders, commissions and emoluments, for managing the business of the company which would

would have amounted to not less than $10,000.- per annum, and of this I have been deprived by the unlawful acts of the parties who by their determined efforts, and false statements and accusations, have brought the whole weight of official influence of the Empire to bear in crushing my enterprise. In addition to this the business of my firm has suffered severely for the past two months through deprivation of the service of my Comprador, and I have been subjected to a great amount of care and anxiety in connection with the attempts made to arrest him.

The parties who have made these determined efforts and false accusations are well known to and I think can be proved to be - Cheng-tow-chai formally Comprador of Messrs. Butterfield

and

and Swire, and now connected
with the China Merchants Steam
Navigation Company, and the
China Telegraph Co., and an
expectant Taotai named Kung-
Both these men are connected
with the Cotton Cloth Company and
against them jointly and severally
I beg that you will present and
prosecute on my behalf a claim
for damages for injury sustained by
me through the wrongful breaking
up of my Company of fifty thousand
taels, and for injury sustained by
my firm through wrongful interfer-
ence with my compradore for the
further sum of five thousand
taels, and I have &c.
(Signed) W. S. Wetmore.

Despatch 126
Enclosure two

Mr Nelmore to Mr Young.

Shanghai, 20th January, 1883.

Dear Mr Young.

I received yesterday your kind note of the 23rd ultimo, which I have perused with great interest.

Most certainly the right of the Chinese authorities to interfere with my Cotton yarn company was one for diplomatic discussion and consideration and should have been at once taken up by the Tsung li yamen and the Provincial authorities notified to abstain from all action and leave the settlement of all questions involved to the Central Government. Mr Cheshire took up this position at the outset and protested to the Taotai against the action that had been taken against my interests informing him that the

the matter had been referred to you for submission to the Tsungli yamen. No regard whatever was however paid by the local authorities to the official representations of the United States vice Consul General for China but in complete disregard of his protestation and of treaties and treaty obligations the local authorities persisted in their aggressive measures until their object was completely ~~accomplished~~. The relations opened up with Tso were forced by his unwarrantable action and I hardly see how they could have been avoided unless we had been content to have our comprador remain a prisoner in our hong for an indefinite period or the Vice Consul General had been in a position to defend our rights by a display of force as was done by the German authorities recently at Swatow and

Amoy

Army in the protection of the interests of their nationals.

My own opinion is and has ever been that this is the proper way to deal with the provincial authorities when they ignore the treaty obligations of the central Government and I am not certain the latter would not often feel grateful to foreigners for taking matters into their own hands when the provincial authorities are disposed to independent action, but this I am aware has never been the policy of our own Government. But what is one to do in cases similar to that of mine?- While questions under the treaty are being referred to Peking for adjustment the local authorities take matters into their own hands and before the tardy decision of the Tsungli Yamên, if it ever comes at

all

all, the mischief is done. Instead of paying the slightest attention to Mr. Cheshire's statements and protests and awaiting the decision of the Peking Authorities the Viceroy and the Taotai persisted in their action every step of which was an infraction of the treaty and an interference with my rights thereunder until they stopped short only of force against myself. One Chinaman connected with my enterprise ordered to be arrested, his shroff imprisoned, and his business ruined. My own compradore a refugee in our hong whence it was proposed to carry him off by the employment of an armed force, his family threatened and protected by the police, and I must confess that when such machinery as this was called into play I was not without apprehension that violence might be used against

myself

myself, and that natives so unscrupulous as Fung and Chen to chai might make some attempt against me.

Under these circumstances it seemed as if the only course left open was for Mr. Cheshire to communicate at once with the Viceroy from or through whom the mischievous action appeared to come, and as the Tsungli yamên appear to be so tardy in their action if this had not been done I do not see but what our comprador would still have been under the ban and we would have remained in the same miserable state of anxiety to the present time. Tso has either been acting with the full concurrence of the Tsungli yamen, or they have not dared to interfere with him in this matter.

I quite agree with you that rights

rights under the treaties" amount to
"nothing so long as the Chinese
"authorities can by such methods as
"have been proved so successful
"destroy any enterprise or any
"attempt" and the only thing that
remains, it appears to me is in
such a case to claim from the Chinese
Government for losses occasioned by
disregard of such rights. It appears
to me my case in this respect is a
very strong one.

I do not think the Chinese
here have as you appear to think
receded from their position antagon-
istic to filatures and other enterprises.
On the contrary a despatch was
recently sent by the Viceroy to the
Consular Body here requesting them
to stop all such undertakings,
which has not been withdrawn
or modified, and I know from
conversations with those interested
in the two principal Silk filatures

recently

recently started that great —
uneasiness is felt lest some —
underhand methods should be
resorted to for interference with
these enterprises as took place in
our case, and what they particu-
larly fear is that obstacles will
be placed in their way when the
time comes for buying the cocoons,
and that they will be prevented from
purchasing supplies in the country.
If the Provincial Authorities with
such a man as Iso as Viceroy —
have made up their minds to oppose
such foreign undertakings they
will not be readily turned aside from
their purpose, and if they cannot
carry out their designs openly they
will endeavour to do so by underhand
methods, and having been so successful
in breaking up my company by the
action they have taken it is most
probable that if they find that they
are not called severely to account

for

for so doing it will not be long-
before similar attempts will be
made against other enterprises
of a like nature here. Indeed it
is considered almost certain here
that such will be the case. It would
appear to be to me at least almost
useless to demand the punishment,
or at least that only, of Kung-
Chen-wo-chia as the local authorities
have evidently been more or less
implicated in the whole thing, -
and while nominally punishing
with one hand they would -
substantially reward with the other
so that these men would be in -
higher feather than before. The only
way in which they can be, -
punished and we properly -
indemnified for losses sustained
at the same time is by demanding
the payment of a sum of money and
when that is paid there will be -
satisfactory evidence that the punishment

is

is inflicted. Chen to Chai is said to have boasted openly that he would break up my company if he had to spend Tls 50,000 for the purpose, I sincerely trust therefore that not only for the sake of protecting other enterprises but of indemnifying me for the loss I have sustained in the breaking up of my company you will press the claim which I have formally made through the Consulate General. I doubt if I should be able to reorganize the Company. Each man in carrying out business arrangements has to work with such materials as he can command. I of course relied upon a certain set of friends whom I knew were prepared to aid me, They have been thoroughly frightened out of it, and I am certain would not be willing to lend their assistance were I

to

to attempt a renewal of this Company, or rather industry, though quite prepared to co-operate in other directions. With kind regards &c &c

* * *

(Signed) W. S. Welmore.

Mr Young to Mr Wetmore

Peking, December 23rd 1883

Dear Mr Wetmore,

Mr Cheshire telegraphs me that your commendatore case has been settled. I am waiting with some interest for his report upon the terms of settlement. I cannot help feeling very much dissatisfied with the position in which it has left your affairs. As I wrote Mr Cheshire it was a mistake ever to have had any relations with Ito, especially after the proposition about security notes was made to you. That proposal was so iniquitous that it gave us the best ground upon which

which we could approach the Yamên. As it now stands, we have no position except what we have already taken as to your right to manufacture under the treaties. That right amounts to nothing so long as the Chinese authorities can by such methods, as have been proved so successful, destroy any enterprise, or any attempt. I am very sorry we ever had anything to do with Iso, or that we did anything with the comprador, except told him under our protection. The whole proposition was a blackmailing business, and should have been so treated

The Chinese have receded from their ground antagonistic to foreigners in Amoy and Swatow, also in the telephone and electric light business

business. I wish there were some way in which you could put your company into shape, and see if Americans cannot have as many privileges as other nationalities. I am afraid the effect of the attack upon the Chinese will be to deter any one from taking shares, and we are met with the very present difficulty of interfering with Chinese affairs.

I shall know more when the Vice Consul General sends me the details. In the meantime keep me advised should you still approve the idea of a new enterprise and allow us to do all we can to support it.

Wishing you a Happy New Year,

I

Sam re,

John Russell Young.

W. S. Wilmore, Esquire.

No 127

Ack'g no & files

Mr Young

DEPARTMENT OF STATE
APR 23 1883
RECEIVED

Legation of the United States
Peking, February 11th 1883

Mr Young to the
Secretary of State

Subject

Chinese Immigration from
Hongkong.

Synopsis

Mr Young acknowledges
the instructions of the
Department in reference
to the immigration of
Chinese from Hongkong.

And

and will govern himself
accordingly.

No. 97

Legation of the United States
Peking, February 11 1883

Honorable F. T. Frelinghuysen,
Secretary of State.

Sir:

I have the honor to acknowledge your despatch No 60, dated December 8th 1882 in which you approve the action of the Legation in its correspondence with Colonel Morby, our consul at Hongkong to which I referred in my despatch No 42.

I have read with

with care your instructions as to the proper course to be pursued, should any question arise affecting the rights of Chinese subjects to travel in the United States.

I thank you for the copy of the opinion of Justices Field and Hoffman in the case of the Chinese merchant Sow Gam Sow.

I have the honor to be,
Sir
Your obedient servant.

No. 128.

Clerk by no to file

Referring

DEPARTMENT OF STATE
APR 2
1883
RECEIVED

Legation of the United States
Peking, February 12th 1883

Mr Young to the
Secretary of State.

Subject
The Presidents Message
and Chinese Immigration.

Synopsis.

Mr Young acknowledges the
receipt of the Departments
despatch No 59, calling the
attention of the Legation
to the paragraphs in the
message

message of the President,
in reference to Chinese
Immigration to the
United States of which
due note has been taken.

No. 128.

Legation of the United States
Peking, February 12 1883

Honorable F. T. Frelinghuysen,
Secretary of State.

Sir:

I have the honor to acknowledge your despatch No 59 and to say that I have read with attention the paragraphs in the President's message to which you refer.

I note your instruction not to fail to make known to the Imperial Government "the fair

"fair and equitable spirit"
in which the United States
"seeks to meet all questions
"growing out of our recent
"legislation restrictive of
"Chinese labor immigration"

It will
give me great pleasure,
when occasion serves, to
express these sentiments
to Prince Kung and the
members of the Cabinet.

I have the honor to be,
Sir,
Your obedient servant.

Jno. Russell Young.

Legation of the U.S.
China Feb. 14, 1883

No. 8.

CABLE MESSAGE.

THE WESTERN UNION TELEGRAPH COMPANY.

All CABLE MESSAGES received for transmission must be written on the Message Blanks provided by this Company for that purpose, under and subject to the conditions printed thereon, and on the back hereof, which conditions have been agreed to by the sender of the following message.

THOS. T. ECKERT, General Manager. NORVIN GREEN, President.

NUMBER	SENT BY	REC'D BY	CHECK
101 Ny	Ch	Hm	15 Wds

Received at 716a Feb 14 1883

Dated Tientsin

To Secretary State Washington

Ward Claims Li refuses nine interest offers eight shares I accept

Holcombe

No. 129.

Confidential.

Received (Offered) June 25 1883. Cir. Ltr.

Copy to Mr. Frelinghuysen with copy Depts reply June 25, 1883. Cir. Ltr.

DEPARTMENT OF STATE
APR 23 1883
RECEIVED

Legation of the United States.

Peking, 14th/15th, February, 1883.

Mr. John Russell Young
to the Secretary of State.

Subject:

England and Corea.

Synopsis:

Mr. Young forwards to the Department a copy of a memorial addressed to Lord Granville, by the Shanghai Chamber of Commerce criticizing the convention between Corea and Great Britain which now awaits Her Majesty's ratification.

No. 129. One Enclosure.

Confidential

Legation of the United States.

Peking, 11th February, 1883.

The Honourable.

Fredk. T. Frelinghuysen.

Secretary of State.

Sir,

I have the honour to enclose 1/129.
a copy of a letter addressed by the
chairman of the Shanghai Chamber
of Commerce to Lord Granville. In
this Mr. Dow as the representative of
mercantile interests in Shanghai, —
criticises the recent convention —
between Great Britain and Corea. —

As

As this convention is almost in terms identical with our own, the objections of Mr Low will not be without interest to the Department.

This copy was furnished to the Legation with the request that it be regarded as a confidential document.

I have the honour to be,

Sir,

Your obedient Servant

Enclosure.

1. Mr Low to Lord Granville.

Copy.

No. 623. Despatch 129
Enclosure

Mr. E. G. Low to Earl Granville.

Shanghai, 17th Jan. 1883.

My Lord,

I have the honor to convey to your Lordship the thanks of the Committee of this Chamber for the copy of the British Treaty with Corea which you have been good enough to forward, as well as for the expression of your willingness to listen to their views upon the question.

Acting upon your kind permission I now have the honor to lay before you the Chambers observations on the subject, and trust that it will appear to your Lordship that the

the objections carry weight, and are worthy of consideration.

It must first be noticed that the Treaty is said to have been drawn up in the Tsung-Li Yamên and negociated through the Chinese Government, and this alone is a sufficient reason for examining carefully how far the making of concessions to the Coreans may bear upon existing Treaties with the neighbouring countries, in the event of their revision at a future time, when the waiving of certain privileges contained in the latter may be claimed on the ground that they are omitted from the former, and this knowledge of the real origin of the Corean Treaty makes it almost certain that it has been framed with this object, while it further appears that

that the concessions made are so hampered with restrictions as to be in many instances useless for the purpose of trade, which it is understood it, is the main object of the Treaty to develope.

Taking the Articles seriatim then.

Article I. Under the guise of friendly feeling as the object of making the Treaty it is to be very plainly seen that the real object was to hinder the carrying out of the threatened annexation of the Corea by Russia, a step to be dreaded alike by both Chinese and Coreans.

Article II. Provides for the appointment of Consuls at the open ports, which however are

are not specified, and as merchant Consuls are prohibited the maintenance of these officials will be rather a serious burden in a country where the resources of the Trade are not for some time likely to be very great more especially under the restrictions contained in subsequent articles.

Article III. May be passed without comment as a necessary provision in the event of accident.

Article IV. Deals with the punishment of criminal offence and the settlement of differences between foreigners and natives, but it contains no provision that the judgments of the native Courts will be enforced in the event of a foreigner suing a Corean and

experience

experience of such matters in China, gives little hope that the foreign interest will have due protection, without some special proviso for the purpose.

The concluding paragraph with regard to the cessation of exterritoriality so soon as the laws of Corea are assimilated to those of Great Britain, is hardly likely to come into effect, and as other nationalities whose laws differ from ours may claim the same privilege there might be some difficulty in compiling such a code as would meet all the exigencies of the case. It is true that the British Government is to be the arbiter in such a case, but the clause is likely to be claimed for insertion into neighbouring countries treaties, and may lead to complications which at the least

least will be vexatious and troublesome.

The same general remarks apply to the 4th paragraph of Article 5 which states that — 'Articles of daily use' are to pay duty at not exceeding 10% ad valorem, while the duty on 'luxuries', Foreign wines, Foreign Tobacco, Clocks, & Watches is not to exceed 30% ad valorem, but although there is a proviso that no further duties are to be — charged on such goods — on — passing into the interior, it will be very difficult to provide with certainty for the free — passage of such goods and still more difficult to get proof in the event of the imposition of further inland taxation, which will probably only be discovered when such are found to be — unremunerative and declined

by

by the natives by reason of the extra imposts.

The term 'Articles of daily use' is extremely vague and includes no doubt 'Stores' imported for foreign consumption, which are Duty free under the Chinese Treaties. Foreign tobacco is also specifically mentioned as distinct from Chinese, so that Chinese tobacco will escape while the article imported for foreign use will bear a heavy tax.

The tax moreover is put at too high a figure at all events until the capabilities of the country for trade are ascertained, with more certainty than at present, unless, which is not improbable, the object is to hold out as little inducement to foreign residence and trade as possible, and at the same

time

time secure all the advantages of an alliance with a powerful nation.

The rate of Tonnage dues is in excess of that charged in China and there is moreover no provision for the application of the monies arising therefrom in lighting and guarding the coast, so that foreign vessels will have to pay the tax and take the chances of any dangers which may exist, without any efforts on the part of the native authorities to prevent them.

Article VI Is again very one sided as, while allowing Coreans free access to Great Britain and her possessions, British subjects are to be confined to the Treaty Ports without leave to go into the interior for any purpose, or to send or purchase goods there,

Such

Such a stipulation nullifies the value of the whole Treaty and reduces the prospects of any advantage of trade to such a point as to make it very unlikely that any one would avail of it. Moreover the Japanese in their Treaty have a radius of 30 miles from Ports which are open to them, — while the Chinese are free of the country for mining purposes and the purchases of any goods they may require and although Article 11 specially introduces the favored nation clause, which would apparently render that part of Article 6 a dead letter, the clause has doubtless not been introduced for nothing. It will be further observed that Article 6 allows British subjects to pursue (at the Ports) their various callings and avocations and they are permitted to

traffic

traffic there in all merchandize but not a word is said about the various 'industries', the introduction of which will probably be the most remunerative trade that will be done for some years to come. It is the ambiguous wording of the similar clause in the Tientsin Treaty which gave the Chinese the opportunity to attempt to stop several such industries in Shanghai at a recent date and it would certainly be advisable that the legality of such institutions should be placed beyond question.

Article VII. Prohibits all dealing in opium the only result of which will be to encourage the smuggling of the drug while it will be a most convenient precedent for the Chinese to obtain

obtain the removal of the Opium clauses from their Treaty.

The remaining clauses may be passed without remark further than those made with regard to Article 14 which would seem to render Article 6 unnecessary as the restrictions therein provided have been related in the Treaties with Chinese and Japanese.

Taken as a whole, the Treaty appears to have been drawn up with two distinct objects neither of which is in any way to the advantage of the Western power. Corea while securing for herself the alliance with a nation powerful enough to keep her dreaded enemy in check gives little more than the empty

privilege

privilege of residence in certain fixed spots, of which few will care to avail, since the facilities to trade are so hampered with restriction as to leave but little hope of any profitable result. The coasting trade is given to the Chinese while both Chinese and Japanese are more or less free of the interior. The imposts are heavier than in either China or Japan and there is not the slightest warranty that even these will not be exceeded and the so-called "privilege of trade" be practically nullified. But although it is not perhaps intended that Great Britain should be a gainer in any way by a treaty which circumstances have forced in Corea to enable her to avoid

avoid a threatened danger,
it is pretty evident that
China under the pretence
of assisting Corea has been
looking well after herself,
and that the restrictions
and tariffs suggested by them
to the Coreans as the basis of
their Treaty with Great
Britain, are to serve as the
foundation of a claim for
similar stipulations in their
own Treaties with Foreign
Powers when the time comes
for their revision.

I have the honor etc.

(signed): E. G. Love
Vice Chairman

No. 139

Legation of the United States,
Peking, February 15th 1883

DEPARTMENT OF STATE
1883
RECEIVED

Mr Young to the
Secretary of State

To the Hague & Lisbon

Subject
The Netherlands dominions
in Asia.

Synopsis
Mr Young acknowledges the
Department's despatch No
58, # in reference to certain
questions arising out of
the government of the
Netherlands

Dec 5, 82

Netherlands dominions in Asia. This despatch having been communicated to the Netherlands Minister, Mr Young forwards the reply. The Minister expresses his satisfaction with the Department's action.

No. 130. Two Enclosures.

Legation of the United States.
Peking, 15th February, 1883.

The Honourable.
Fred.k T. Frelinghuysen.
Secretary of State.

Sir,

I have the honour to acknowledge the receipt of your despatch No. 58 in reference to a communication addressed to the Legation by His Excellency the Netherlands Minister concerning the jurisdiction of the Netherlands Government over certain islands,

in

in its Asiatic dominions.

It was my duty in — obedience to your instructions to submit your despatch to Mr. Ferguson. And I now enclose a copy of the letter in which His Excellency makes his — acknowledgement of the — department's action.

1/130

2/130

I have the honour to be,

Sir,

Your obedient servant

Enclosures.

1. Mr. Young to Mr. Ferguson.
No 17/1883. 12th February, 1883.

2. Mr. Ferguson to Mr. Young.
No. 12/1883. 14th February, 1883.

Despatch 130

Mr. 14/1883. Enclosure 1

Mr. Young to Mr. Ferguson.

Peking, 12th February, 1883.

Sir and dear Colleague,

In reference to the letter which Your Excellency was good enough to write to me on the 9th October, 1882. concerning certain troubles between foreign traders and the natives of His Serene Majesty's East Indian possessions, I have the honour to enclose you a despatch from the Department of State.

You will see that my Government is anxious to meet with your views.

It gives me great pleasure to furnish you with a copy of this despatch, and in doing so to assure Your Excellency of my high consideration

I am &c.

(Signed) John Russell Young.

Enclosure.

Enclosure.

Despatch No. 58. Department of State

December, 6th, 1883.

Despatch 130.

Enclosure 2.

Copy.

Mr. Ferguson to Mr. Young.

No. 12/1883.

Peking, 11th February, 1883.

Monsieur le Ministre,

I am in receipt of the letter Your Excellency has kindly addressed me on the 12th instant, enclosing a despatch from the Department of State with respect to Netherlands' jurisdiction on the Sanger and Talaver Islands, etc.

I take this opportunity to offer Your Excellency my best thanks for this communication and to renew the assurance of the highest consideration and esteem, with which I have the honour to remain

Your Excellency's &c.

(Signed) J. N. Ferguson.

No 131

Ack by mail

Young

DEPARTMENT OF STATE
APR 23 1883

Legation of the United States
Peking, February 19th 1883

Mr Young to the
Secretary of State

Subject
China and Siam

Synopsis
Mr Young encloses a letter
from Mr Haldeman, American
Minister at Bangkok in
response to the rumored claims
of China to resume the
sovereignty of Siam.
Mr Haldeman

Mr Haldeman reports that there is some foundation for the rumor. This information Mr Young communicates to the Japanese envoy. Mr Enomotto who returns thanks to the Legation.

No. 131. Two Enclosures.

Legation of the United States.-
Peking, February 19th, 1883.

The Honorable,
Fred'k. T. Frelinghuysen.
Secretary of State.

Sir,

In my despatch No. 86-
I reported a conversation with the
Japanese minister in reference to
a rumour printed in an English
newspaper to the effect that China
was disposed to resume her ancient-
sovereignty over Siam.- I acquainted
you with the anxiety which this-

rumour

rumour had excited in Tokio, and said, that as an act of courtesy to the Japanese minister, I had written to my colleague Mr. Halderman, as to the truth of the statement.

I have now the honour to communicate Mr. Halderman's reply. I gave this to the Japanese minister, and his letter of acknowledgement, forms an enclosure to this despatch.

The Department will see that notwithstanding the statement of the foreign office, which is given at length as an enclosure to my despatch No. 50, that no such demand had been made upon

Siam

Siam, or was in contemplation, the truth appears to be that the Government was hoping to regain her ancient rights through the Viceroy of Canton. Whether the Viceroy acted with the knowledge of the cabinet or not I cannot say. It is a fair inference however, to suppose that if he had succeeded in inducing Siam to return to her tributary relation, his action would have met with the imperial commendation.

I do not think the question will ever take a practical shape, in certainly not under the present condition of affairs in Asia. England because of her Burmese possessions.

possessions. France from her interests in Cochin China -- and Japan because of her resolute opposition to Chinese claims of imperial suzerainty in Corea and elsewhere would never consent to the return of Siam to China. It is difficult also to see what advantage any change in existing relations would be to either nation. Siam is one of the most interesting and progressive nations in Asia, and under its patriotic and enlightened sovereign, ambitious to introduce all that is good in Western civilization, she has found prosperity in independence.

China

China as it is, is as much as any rulers can govern, and no friend of China who has an intelligent appreciation of events as they are, would wish to see new cares of empire imposed upon the court of Peking.

I have the honour to be,

Sir,

Your obedient Servant,

Thos. Francis Wade

Enclosures.

1. Mr. Alderman to Mr. Young.
8/1883. January 13th, 1883.

2. Admiral Enomoto to Mr. Young.
9/1883. February, 15th, 1883.

No. 8/1883. Despatch No. 131.
Enclosure 1.

Mr. Alderman to Mr. Young.

Bangkok, Siam.
January 13th, 1883.

Sir,

In reply to your note of Dec. 12th received yesterday, I have the honour to state, that during the past summer, a subordinate official from Canton, came to Siam to communicate as he expressed it, the news of the death of the Empress of China. He asked that he might be received as a high official, representing that he had been charged by the Viceroy of Canton to ask, when, Siam, would bear tribute to China, as she had been wont to do, in years gone by.

The Siamese Government refused

to

to accord him such a reception as he had asked, and promptly declined to pay tribute, saying that the demand had been before made and before declined – that Siam was now Sovereign, and that Sovereigns paid no tribute.

This circumstance coupled perhaps with the attitude of China toward Corea and Annam may have had the effect of stimulating work upon the defences at the mouth of the Menam River, which, latterly, has given some signs of vitality.

Siamese officials affect not to be concerned at the situation.

Please accept Mr Minister, the assurance of my high consideration.

(Signed) John A. Halderman.

No. 9/1889. Despatch No. 131.

Enclosure 2.

Mr. Enomoto to Mr. Young.

Peking, 15th February, 1889.

Sir,

I have the honour to acknowledge the receipt of Your Excellency's letter of the 14th inst. enclosing a copy of the letter from the Honourable J. A. Halderman, American Minister to the Court of Siam in regard to the truth of the rumour that China had despatched to Siam an Embassy demanding a renewal of the tribute mission.

In reply I request that Your Excellency will please accept my sincere thanks for the kind information which I will at once communicate to my Government.

I avail myself of this opportunity to offer to Your Excellency

Excellency a renewed assurance
of my most distinguished ~~~
consideration.

(Signed) Enomoto Takeaki.

No. 132. Ack. [illegible] & [illegible]

DEPARTMENT OF STATE
APR 22 1883
RECEIVED

Legation of the United States
Peking, February 19. 1883

Mr Young to the
Secretary of State

Subject
Official courtesies

Synopsis
Mr Young reports an
official call at the
Yamen on the Chinese
New Years day, and the
cordial reception of the
Legation by the Ministers

No. 232

Legation of the United States
Peking, February 19th 1883

Honorable F. T. Frelinghuysen,
Secretary of State

Sir:

On the 15th instant I made a formal New Years call upon the ministers of the Yamên, that day having been arranged for the various Legations to return the annual visit of the high officials referred to in my despatch No 114. The ministers were all

all in attendance with the exception of Prince Kung, whose continued indisposition prevents his taking an active part in public business.

The interview was very cordial and friendly, and there was an entertainment offered in the Chinese fashion. The ministers said that they hoped the New Year would be marked by a continuance of the peaceful relations which had been existed between

between China and the United States. To this I responded that the President and the people of the United States had the sincerest friendship for China and desired only her happiness and prosperity, and to have with her Government relations of confidence and good will.

I expressed the regrets of the Legation at the continued illness of Prince Kung, and said that I hoped soon

to

to give my Government
the pleasure of knowing
that His Imperial
Highness had recovered
his health and resumed
his place in the
imperial councils.

In the absence
of Mr Holcombe, now in
Tientsin on public
business, Duke
accompanied by Mr
Marzal of the Spanish
Legation as interpreter.
That gentleman having
been good enough to
place his services at
my disposal.

I

No. 133.

Added and communication related thereto. Decision to be withheld pending receipt of reports which will be published in April 1883. Order

Read the despatch and inclosures in the Chinese Reports. Darling

DEPARTMENT OF STATE
APR 23 1883
RECEIVED

Legation of the United States.

Peking, February 20th, 1883.

—

Mr. John Russell Young

to the Secretary of State.

—

Subject:

Chinese interference with the trade in Petroleum.

—

Synopsis:

Mr. Young refers to his despatches No. 46 and 53 in which he reported to the Legation the opposition of Chinese officials in Shanghai and elsewhere to the sale of petroleum.

In

In order to learn how far this opposition had spread, and to what extent the trade had thereby been effected, Mr. Young asked the Consuls for information. These reports he encloses. They show that at some points, Ningpo, Foochow and Shanghai especially there has been much prejudice against petroleum, and proclamations forbidding its use. Mr. Young attributes these proclamations to ignorance and fear and reasons from the fact that the trade shows a marked increase, that distrust is vanishing, that there is no serious opposition, none at least that reason and experience cannot remove.

He

He notes the gratifying fact that the trade is steadily increasing - with the interior - with provinces beyond the treaty ports. He hopes from this, that the use of petroleum will in time become general throughout the empire. Mr Young instructs the Consuls therefore to deal with all remonstrances on the part of the authorities in a patient and friendly spirit; trusting to time and experience to show them the real benefits of petroleum as a cheap useful oil. Mr Young commends the Consular reports to the special attention of the Department as containing a body of useful information, and asks that his

treatment

treatment of the whole question may be approved.

No. 133 Three Enclosures

Legation of the United States

Peking February 20. 1883

Honorable F. T. Frelinghuysen

Secretary of State.

Sir:

In my despatches No 46 and 73 I had the honor to forward certain correspondence with Mr Consul General Denny, and the Foreign Office in reference to the opposition of Chinese officials to the use of petroleum. The Consul General informs the

Legation

Legation that the Taotai
in Shanghai had issued
his interdict because
petroleum was inflammable
and dangerous, and had
caused many fires. Mr
Denny contested the
justice of this opinion.
He pointed out that the
Chinese used gun powder
in fire-crackers, in the
most reckless manner
and that gun-powder was
more dangerous than
petroleum. He expressed the
opinion that the objection
came from Chinese dealers
in native vegetable and
fish

fish oils, who dreaded the
rivalry of the mineral
product. The Legation
addressed the Foreign
Office upon the subject
of these proclamations.
Petroleum is one of the
most important articles in
our commerce with China,
and I felt it my duty
to remind the Chinese
Government that it was
under the protection of
our treaty.

From the tenor
of Prince Kung's response
to my note, I believed
that there was no real
objection

objection to the use of petroleum. Timid, ignorant and interested officials might issue proclamations against it. But as a burning oil it was so cheap and beneficient, that notwithstanding these objections, the people with their practical sense of material interests, would accept it, and in time its use would become general throughout the empire. I saw no reason, therefore, for pursuing the discussion with the Foreign Office, and — adding

adding to the many vexatious questions now at issue with China

omit

At the same time in order that the Legation should be well-informed as to the state of the trade, and especially whether its import had been affected in any way by the opposition of the officials, a circular letter was addressed to the consulates in China, asking for information upon this special point.

I have the

1/133

honor

2/133

honor to enclose, in response to this circular, reports from the consulates at Shanghai, Tientsin, Ningpo, Hankow, Chinkeang, Newchwang, Amoy and Foochow.

From these reports, all of which seem to have been carefully prepared, the condition of the petroleum trade, in spite of the opposition of the officials at some of the ports, would appear to be flourishing.

In Shanghai, where the proclamation against

against its use by a former Taotai since appeared, the consumption has largely increased. Mr Cheshire reports that the proclamation had — only "a temporary prejudicial effect," and that the present Taotai had — rather encouraged its use, showing an example by burning the oil in his own Yamên. The consequence is that — petroleum is largely — burned in the native city. The figures of the Shanghai trade show that

while

while in 1877 only 19,618
cases were consumed, in
1882 there were 299,434
cases. This prodigious
increase, nearly 88 per cent
in five years shows that
the Germans have a growing
appreciation of the value
of the oil and promises
a vast trade as its —
importance becomes —
gradually known throughout
the empire.

The other consulates
report a steady advance
in the consumption of
petroleum. In Hankow
it has increased from
278,787

276,787 gallons in 1879 to 449,574 in 1882. In Foochow, from 88,300 in 1879 to 280,000 in 1882. In Newchwang, from 2000 in 1879, to 12000 in 1882. In Amoy, from 2000 in 1879 to 5000 in 1882. The consul at Chinkeang notes the fact that the increase in one year from 1880 to 1881 was 21,260 gallons, without giving the total amount.

The consul at Tientsin reports a falling off from 385,800 gallons in 1879 to 137,449 in 1882

These

These figures, as indications of a declining trade are apparent and not real. The reason assigned by the dealers who are altogether blameless is, as the consul says, "the overstocked condition "of the market during "the year immediately "preceding, and is not "attributed to any "diminution in the "consumption for the "year." This opinion is confirmed by the fact, that as the stock in hand decreases the sustained

sustained demand advances
the prices. Last year
the wholesale price was
1 86/100 tael per case, this
year it is 2 30/100. "The
present prices," says
Mr Quick, "are exclusively
"high owing to the
"scarcity of the supply."

The reports
of the consul at Ningpo
indicate a determined
opposition to the sale.
It was in hopes that
the authorities of that
city would follow the
example of those in
Shanghai and the trade
might

might reap the advantage
of more experience and
better councils. A
proclamation was issued
by the Taotai of Ningpo
in June 1882, prohibiting
the use of petroleum.
Mr Stevens protested. In
his reply to this protest
the Taotai gave his
reasons for the edict.
"There had been many
fires in Ningpo,
"sometimes a whole
"street was burned down
"and sometimes twice over
"four." "This condition
"of things" continued the
Taotai

Tastar "was a great pity.
" All the people said
" that if there was no
" kerosene oil causing
" such trouble the fires
" could not be so damaging.
" Then the question came to the
" storing that every Customs
" goods shop is willing
" to sign a bond in which
" to state that they will
" not sell kerosene oil
" in future" The Tastar
further said that as a
consequence of his prohibition,
say, for a half year, very
few fires had occured,
and such as did break

out

out were readily extinguished
" The injury of destroying
" a whole stick" says
" the Taotai" and loosing
" of lives as before has
" thus been stopped So
" the gentlemen feel very
" quiet in their minds
" at present."

Objections like
these must be attributed
to ignorance and timidity
and perhaps also to the
conservative nature of the
Chinese character with
its grounded aversion
to anything new They
are repeated in the
proclamations

proclamations issued at Foochow, which Mr Consul Wingate reports to the Legation. In Foochow, says the Governor General, "fires "hearths are thickest, "dwellings and temples "join". Of late years when "the calamity of a fire "has occurred it has more "frequently resulted from "design. If one be a "little ignorant of the "way to light and use "it, men are often burned "to death." Mr Wingate also sends a petition to the Governor General from

"the

"the elders, gentry and
"heads of the associated
"householders." These
petitioners state that
there are ten thousand
"and more families
"gathered and located
"about their several altars
"to the household gods.
"The fashions of the whole
"district are modest and
"the customs excellent.
"And love the spot and
"dwells at ease." The
poverty of their tribulations
is wondrous oil. They
propose that whoever
sells the oil shall be
fined

fined. Should there be
a second offence "all
"will together pull down
"the offenders house and
"hand him up "for —
examination.

I note these
objections to bring clearly
to your mind the nature
of the opposition against
which petroleum has to
contend, that it is a
fear inspired by ignorance
They will also throw a
strong light upon the
real hold which the oil
has taken upon the —
people We read that

ill

in Naples, in spite of the proclamation, the trade has made a "wonderful increase," from an annual consumption of 40,000 gallons in 1874 to 1,005,470 in 1882. In Foochow, where the elders and deacons propose to pull down the houses of any dealer in the oil, the trade shows a marked advance, and it is the consuls hope that the antipathy "will soon blow over."

Mr Stevens, however

however, reports that in Naples the effect of the prohibitions is, notwithstanding the increased importation, to materially injure the trade. The oil is now handled by small dealers, and smuggled into the city. The "wealthier merchants," he says, "obey the orders "for fear of being "squeezed." The streets are lighted with a vegetable oil. Mr Stevens also reports that vast quantities are shipped to the inland towns and

and cities by the canals. This I note as a gratifying fact, showing that the use of the oil is spreading over the empire. So long as this national trade is uninterrupted we may deal patiently with the isolated antagonism of authorities at the open ports.

Mr Goldsborough reports that no proclamations have been issued at Amoy, and that the increase is gradual" the article

growing

"growing continually in
favor with the Chinese."
Mr Baudinel informs
the Legation that "no
"proclamations have been
"issued prohibiting,
regulating, or in any
"way meddling with the
"sale or use of Kerosene
oil." Mr Smithers says
that at Chinkiang a
proclamation "was posted
"up at a small Yamen
"immediately after a fire"
but was only permitted
to remain a few days
"having been removed by
"parties interested in
"

the

"the trade." This statement shows that the petroleum dealers among the Chinese are strong enough to protect their own business. Mr Shepard reports that at Hankow, as far back as 1882 there was a proclamation against the oil, but that it has practically lapsed. There were accidents because of the ignorant and reckless manner in which the natives at first used the oil, burning it in native lamps" and not unfrequently

" unfrequently in open
" vessels with unprotected
" vents floating upon the
" surface of the procured
" fluid."

Certain deductions
may I think, be fairly
drawn from this body of
valuable information as
to the condition of the
petroleum trade in China,
the intentions of the
authorities toward it and
the true way of removing
unreasonable objections
and thus advancing this
most important interest

I That the only consular
district

district where there is a strenuous opposition is that of Ningpo.

II That this objection, arising from ignorance and fear, will in time exhaust itself as has been seen in Shanghai.

III That in spite of official opposition the trade has steadily grown, especially with the interior.

IV That it is the part of wisdom not to excite the animosity and suspicion of the authorities by undue remonstrance and inviting angry discussions

discussions.

V. That persons at home concerned in petroleum may do a good deal to remove prejudice by circulating in a convenient and popular form in the Chinese tongue, information as to the nature of petroleum, how so to use it as to render it harmless, and how to make proper lamps in which to burn it.

The views of the Legation as to the manner in which the consuls should deal with the

3/133

the opposition of the
authorities are expressed
in a despatch to Mr
Wingate. Instructions in
the same spirit have been
sent to other consuls.
The Legation commended
Mr Wingate for the reserve
and caution he had shown
in dealing with the question,
and especially in his
conclusion that strenuous
action at this time and
under all the circumstances
"would probably tend to
"intensify the feelings
"of those who ascribe their
"recent losses by fire
to

"to the use of Chinese
"and would bring to their
"aid the argument that
"foreigners in their greed
"for gain, were regardless
"of consequences to the
"people." This is the spirit
which, as I said to Mr
Wingate, "should animate
"all of our officials in
"dealing with the Chinese
"people. It is always best"
I continued "to avoid
"questions and not
"create them, and trust
"to time, friendly advice
"and good example to
"convince the Chinese
"

that

"that we have their own
"good in view, when we
"ask them to share the
"advantages of our more
advanced civilization."

I trust
that experience will show
that in taking this
course, the Legation has
done what is best for
a most important factor
in our commerce with
Asia. Should there be an
opposition like that
reported from Ningpo,
an antagonism that will
not yield to reason, or
friendly remonstrance I
shall

shall not fail to ask from this Government, the protection to which petroleum is entitled under the treaties.

Trusting that my action will meet with your approval, and that the consular reports herewith enclosed may add to the Department's knowledge of the exact condition of the petroleum interest in China,

I have the honor to be,

Sir,

Your obedient servant.

Enclosures

Enclosures.

1. Circular to all the Consuls, December 9th 1882

2. Reports from the Consulates at Shanghai, Tientsin, Ningpo, Hankow Chinkiang, Kiuchiang, Amoy and Foochow.

3. Mr Young to Mr Wingate

14. January 30. 1883

I have the honor to be,
Sir,
Your obedient servant

Thos. Anna Gray.

Despatch 133
Enclosure 1.

Chinese interference
with Petroleum.

Reports from the Consuls
in response to the
Circular of the Legation
dated December 6th 1882

Despatch 133

Enclosure - 1

Circular to all the Consuls

Peking December 9th/82

Sir,

Recent correspondence with the Foreign Office arising out of representations to the Legation from the Commercial General, have drawn the attention of the Legation to the conditions of our petroleum trade, one of the most important branches of our commerce with China, and deserving special study and protection. Proclamations have been made by certain Chinese provincial authorities forbidding the use of petroleum by the people on the ground that it is

a

a dangerous commodity. I do not know how far these proclamations have been published, nor to what extent the general trade in petroleum has been affected.

The Legation would thank you to make careful inquiry on these points. Report if any proclamations have been issued by the local authorities forbidding, or in any way controlling the use of petroleum by the Chinese. Make inquiry of the houses who deal in petroleum and learn the conditions, the rise and fall and general fluctuations during the past four or five years. Are especially anxious to know to what extent the apprehensions of

of the local authorities, and the measures their fears may have inspired, have affected the trade.

A report of this kind at your earliest convenience will be regarded by the Legation as of public interest and I commend the subject to your careful attention.

I am, Sir,
Your obedient servant.
(Signed) John Russell Young.

Shanghai Despatch 133
Enclosure 2

Report from,

F. D. Cheshire Esquire,
Acting Vice Consul General
in Shanghai, enclosing
correspondence with Mr
Stevens as to troubles in
Ningpo in reference to
Poddeeum.

Copy.

No. 142.

Mr. Chestnut to Mr. Young

Shanghai, January 19th 1883.

Sir,

In answer to your despatch No. 26 of date the 9th ultimo. I now have the honor to submit the following information upon the trade in Kerosene oil at this port which I have gathered from various merchants engaged in it. I also enclose copies of correspondence passed between Mr. Consul Stevens and myself in regard to the action of the Chinese Authorities at Ningpo against this important branch of American trade with this country.

country.

I am &c.

(signed.): F. D. Chesture.

Enclosures:

No. 1 Mr Chesture to Mr Stevens.

" 2 " " " "

" 3 " Stevens " " Chesture

" 4 Chun Che Foo " " Stevens.

" 5 Kerosene oil Report.

~~Copy.~~

No. 159.

Mr. Cheshire to Mr. Stevens.

Shanghai, October 7th 1882.

Sir,

Adverting to Mr Consul General Denny's despatch to you of date August 14th, anent the action of the Chinese Authorities at your port in issuing proclamations against the use of Kerosene oil by natives. I have the honor to request that you will inform me whether these documents have been rescinded or not.

The manager of the China and Japan Trading Co. has informed me that the proclamations issued by

by the native authorities
at your port have interfered
very much with the export
trade in Kerosene from this
to Ningpo.

I am etc

(signed) F. D. Cheshire.

Copy.

N: 169.

Mr. Cheshire to Mr. Stevens.

Shanghai, December 6th 1882.

Sir,

I have had the honor to receive your despatch N.91 of date the 4th instant, relating to proclamations issued by the Chinese Authorities, prohibiting natives from using Kerosene Oil within the limits of the City of Ningpo.

The issuance of such interdictory notices is a high handed, and illegal act on the part of the Ningpo Prefect and should be strongly protested against.

The trade in Kerosene oil in China is an important

one

one to American Merchants. It is a legitimate branch of trade under the treaties of commerce, which the United States has long since concluded with the Imperial Government of China, and upon which a large revenue is annually levied, and collected by the I. M. Customs, and no local officer has the power, nor the right vested in him, to issue any notice, or regulation which would in any way conflict with the covenant made between the high contracting parties of the two Governments.

The arguments advanced by the Prefect in his letter to you are futile and absurd, and can have no bearing upon the question at issue.

I would suggest that you inform the Prefect that

Americans

Americans as well as other nationalities in China have rights accorded them under the Treaties, and they must be observed by the Chinese Authorities; that Chinese law has no bearing upon the subject. The law to be followed is the Treaties and these he must not violate, as they are the supreme law governing commercial, and all other intercourse between foreigners and Chinese.

A Steamship Company refusing to carry Kerosene Oil by its vessels is a different thing to a small local officer issuing an interdictory notice and thus preventing Chinese from using an article of legitimate trade, which the Imperial Government of his Country has sanctioned.

I

I would resist in the most earnest manner any infractions or disregard of treaty rights by the local Authorities at your port.

1/ I enclose copy of the Ministers despatch to this office, it might be well to inform the native Authorities that the Tsungli yamên had addressed the Legation upon the subject of proclamation's being issued against the use by natives of Kerosene Oil, and had instructed the Shanghai Taotai 'to take proper measures in the premises', which the Minister considered to be a practical disapproval of the issuance of such documents.

I have written a despatch to the Legation about the action of the

Ningpo

Ningpo Prefect.

I am etc.

(signed.) T. D. Cheshire.

Enclosure:

No. 1. Mr. Young to Mr. Cheshire.

Copy.

No. 91.

Mr. Stevens to Mr. Cheshire.

Ningpo Dec: 4th 1882.

Sir,

I enclose you herewith a copy of a letter received from Chun Che Foo, Prefect of Ningpo, the man who first issued the order prohibiting the sale of Kerosene oil in the City. This letter is received in answer to the first one. I have written him about this matter; all my other letters relating thereto have been addressed to H. E. the Taotai. The Taotai supports and defends this proclamation. I send you this letter to let you know that the order

prohibiting

prohibiting the sale of Kerosene oil in the City of Ningpo has not been revoked.

I will thank you to give me a copy of the letter received from Our Minister, the Hon. John Russell Young relative to this matter. Also please put in writing your verbal instructions to me while in Shanghai, telling me to write to the Authorities and demand the rescinding of this order.

I am etc.

(signed): Edwin Stevens.

P.S.

My letters on file will be at your command if you desire to know what action I have taken and if necessary a copy can be furnished.

Yours

[sig]: E.S.

Copy.

Letter received from
Chun Che Foo Dec 3rd.

Sir

In reply to your
letter asking me if the sale
of Kerosene Oil is still
prohibited in Ningpo. I
find that between the third
and fourth moon of this
year (May 1882) there were
many fires occured inside
and outside the Ningpo
city, sometimes a whole
street was burnt down and
sometimes lifes were lost.
This condition was a great
pity. All the people said that
if there was no Kerosene Oil
causing such trouble, then the
fires will not be so damageng.
Thus the Gentries came to me
stating

stating that every Cantonese goods shop is willing to sign a Bond, in which to state that they will not sell Kerosene Oil in the future. This was on account of the injury caused. I am the local authority and deemed it my duty to put out orders prohibiting such sale, so I did and I had also reported this action to my superiors, who had approved of my action taken. On the 14th of the 5 Moon (June 29th) you wrote me a letter asking me for copies of proclamations issued. I sent you a copy of my proclamation also a copy of the order of Shanghai for your examination. The reason of my prohibiting the sale of Kerosene Oil was known to you for a long time.

Since

Since it was prohibited, it
is half a year, there were
very few fires occured and
when it commenced, it was
soon ceased. The injury of
destroying a whole street —
and losing of life as before
has been thus stopped. So —
the Gentries feel very quiet
in their mind at present.

Should the orders be —
disobeyed in the future, then
it will be again prohibited.
In your letter you asked —
if the order has been revoked.
This is because that you do
not understand the Chinese
law, the proclamations for
the purpose of taking away
the injury of people will —
never be revoked. For instance
the use of Kerosene Oil is —
prohibited on Foreign Steamers.
Can you force them to use it?

Also

Also for instance that the United States are prohibiting the Chinese workers in America, could the order be revoked by the request of Chinese officials? However that order prohibiting the use of Kerosene oil is only for the Ningpo city and not for any other places. Therefore the importation of Kerosene oil into this port for transshipment to other places for sale is coming continually. Thus the Foreign trade is not injured. There are papers posted upon the gate of every Foreign Hong in the Kiang Su settlement informing the sale of Kerosene oil. On account of China and the Foreign countries having made themselves fully acquainted with the terms

terms of Treaty. I have
therefore not prohibited the
sale in the Kiang Po-
settlement. I think you
must have known it and
obliged. If there is any-
Yamên making inquiry-
relative to the prohibiting
of Kerosene oil in Ningpo,
Please let me know.

With Compts Yis.

(signed):

Copy.

Petroleum trade in Shanghai

'From the statistics given below it will be seen that the consumption of Kerosene oil in Shanghai has each year steadily increased and that in 1877 while only 19,618 cases were consumed, in 1882 the consumption reached 299,434 cases.

This oil is becoming very popular with the natives who prefer it to oil of native manufacture owing to the fact that it burns longer, is about 1/3 cheaper and gives a more brilliant light.

The consumption both in the Foreign Settlements and the native City is rapidly increasing, in fact in the latter place since the present Taotai took charge he has rather encouraged the use of it

it and some time ago ordered that Kerosene lamps should be used for lighting the streets in the City at night the cost to be defrayed by the people.

In the spring, about the time the former Taotai issued his prohibitory proclamation against natives using Kerosene which I am glad to say only had a temporary prejudicial effect, it was estimated that one house out of every six burnt this oil, but it is safe to say that at present the consumption has increased at least four times and the natives are as free to purchase and burn it as they were previous to the issuance of the proclamation referred to. I am informed that in almost every street in the native City Kerosene

is

is now used for lighting purposes and it is also used by the Taotai at his Yamên and so long as that officer shows such a good example and evinces such good sound sense in using a brilliant light in preference to a dim light such as native oil produces, there need be no apprehension or fear of the trade being impaired even temporarily by the issuance of any more proclamations.

Subjoined are statistics showing the position of the trade from 1877 to 1882 inclusive. I also append a statement giving the exportation of Kerosene from this port to Ningpo for each month during the years 1879, 1880, 1881 and 1882.

Copy.

Kerosene Oil

Statistics for Shanghai.

Stock Jan. 1st 1877		51,400 Cases.
Total Imports		112446 "
Supply		163,846 .
Re-Exports to foreign countries		76656 .
		87,190 .
Consumption 1877 — Re-Exports to China ports & H.K.	30,572	
Local consumption	19,618	50,190 Cases
Stock Jan 1st 1878		37,000 .
Total Imports, 1878		408,856 .
Total Supply		445,856 .
Re-Exports to foreign countries		170,198 .
		275,658 .
Consumption 1878. — Re-Exports to China ports,	61,589	
Local consumption	75397	136,986 Cases
Stock Jan 1st 1879		138,674 .
Total Imports		478244 .
		Total

Total Supply 1879			616,916 cases.
Re-Exports to foreign countries			57,767 .
			559,149 .
Consumption 1879 — Re Exports to China ports,		167,700	
Local consumption,		161,446	329,146 cases
Stock Jan 1st 1880			230,003 .
Total Imports			322,598 .
Total Supply			552,601 .
Re-Export to foreign countries			5,500 .
			547,101 .
Consumption 1880 — Re-Exports to China ports,		166,874	
Local consumption		230,111	396,985 cases
Stock Jan 1st 1881			150,116 .
Estimated Imports			448,185 .
			598,301 .
Re exports to foreign countries (Japan)			45,500 .
			552,801 .
Consumption 1881 — Re exports to China ports,		194,310	
Local consumption,		202,829	397,139 cases

Stock

Stock Jan 1st 1882		155,662 cases
Imports		855,415 .
		1,011,077 .
Re export to foreign countries (Japan)		82,929 .
		928,148 .
Consumption 1882. Re exports to China ports,	220,000	
Local consumption	299,434	519,434 .
Stock Jan 1st 1883		413,217 .

Re-

Re-exports of Kerosene oil from Shanghai to Ningpo for each month from 1879 to 1882 inclusive.

Months	1882	1881	1880	1879
	cases	cases	cases	cases
January	14,560	9,010	8,102	7,664
February	3,300	3,308	7,428	5,555
March	10,160	8,470	14,421	8,476
April	3,308	9,190	12,373	5,157
May	4,550	6,300	5,000	6,567
June	3,810	4,450	5,310	5,156
July	21,026	5,120	8,330	5,316
August	21,651	4,450	3,820	880
September	7,100	5,630	2,600	2,325
October	200	5,120	12,280	7,695
November	5,850	8,410	5,500	5,850
December	1,650	6,670	7,721	9,675
Total	97,165	76,128	92,885	70,310

Tientsin

Report from,
J. C. Tuck Esquire,
Consul at Tientsin

Despatch.

No. 31. Enclosure.

Mr. Zuck to Mr. Young.

Tientsin. December. 19th, 1883.

Sir,

I have the honour to acknowledge the receipt of your despatch No. 8. dated Dec. 9th, 1882 relative to our petroleum trade at this port.

In reply I have to say, that I know of no proclamations by the Chinese Authorities of this port in forbidding or in any way controlling the use of petroleum by the people.

The dealers in that commodity also inform me, that none have been issued.

The import of Kerosine for the year 1879-80-81 and 1882 being 385,800 - 315,221 - 292,030 and 137,449 gallons respectively. The figures for 79-80 & 81 are taken from

from the Customs returns, and for the year 1882 from the books in the Customs Office, to the close of navigation, which is practically for the year. This shows a falling off in the import for the year 1882, as compared with the previous year of 154,581 gallons, and even a still larger falling off when compared with the years 79 and 80.

The present supply on hand is estimated by the dealers at 10,000 gallons, which is considered very small. The present wholesale price is Tails 2.20 per case against Tails 1.80 same time last year. Present retail price Tails 2.40 per case against Tails 1.95 same time last year. The present prices are excessively high owing to the scarcity of the supply.

The trade in Kerosine is entirely in the hands of the Chinese, and dealers are very reticent about giving

giving information, and I found it impossible to obtain any figures as to amounts sold for consumption — during the last year or previous years. The dealers assign as a reason for the falling off in Import during 1882, the over stocked — condition of the market during the years immediately preceding, and is not attributed to any diminution in the consumption for the year.

I am &c. —

(Signed) Jas. C. Tuck.

U.S. Consul.

Ningpo.

Report from
Edwin Sterns Esquire
Consul at Ningpo.

Mr Gouger's instructions
to the Consulate.

No. 23. Despatch
Enclosure.

Mr. Stevens to Mr. Young.

Ningpo, January 17th, 1883.

Sir,

I have the honour to make the following statement in answer to your despatch No. 12 of Dec. 9th, 1882. In relation to the inquiries made therein regarding the proclamations issued by the Prefect Chun at Ningpo prohibiting the sale or use of Kerosine oil in the said city.

I have obtained all the information I can regarding the effect these proclamations have had upon the Trade at this Port. I find it quite difficult to make an estimate of the loss sustained, or the injury inflicted.

1st Trade in Kerosine oil at this port has rapidly increased each year

year since 1874, from about 40,000 Gallons imported in that year. It has made a wonderful increase, so that for the year 1882 the importation amounts to 1,005,470 Gallons. The largest amount ever imported in any one year. For the three months July, August, and September the enormous amount of 331,000 Gallons were brought to this port. The three months following the issuing of the proclamation prohibiting its sale at Ningpo by the Prefect Chun approved of, and supported by the Taotai.

2nd The mercantile houses that control this trade insist that notwithstanding this increased importation, the order issued has been very injurious to the Trade.

Mr. F. Coit of the Firm of Coit & Co., the only American merchant here one who has associated with him two or three of the

Strongest

strongest Chinese Hongs refuses to give me any information. He informs me that he is not here to furnish gratuitous information for the benefit of the Standard Oil Co., And I may here state that all the points I get, are obtained from the compradores of Foreign Hongs and Chinese Merchants.

Every Foreign merchant, who deals in this or any other article at Ningpo, is very careful about giving an opinion or posting you about his experience in trade. For fear some one else may obtain the information, what he is doing, or more to the point, what he is not doing.

I presume the best way for me to answer your letter in full will be to give you in brief all that has been said and done, the information received, and the conclusions arrived at.

The

The first proclamation prohibiting the sale of Kerosine Oil in Ningpo was issued by the Prefect on June 1st 1882. On the 29th of June I addressed a communication to Chun Chee foo the Prefect requesting a copy of his proclamation; in a few days this was forwarded to me. I immediately called the Taotai's attention to this matter; and in a personal interview with him. He promised me that the order prohibiting the sale of Kerosine Oil should be revoked within two weeks. This was not done.

Early in August the Prefect finding his order was not fully obeyed, issued one, more stringent than the first. On the 14th of August I wrote to H. E. the Taotai reminding him of his promise unfulfilled, and calling His Excellencii attention to the fact, that such orders issued were in violation of Treaty Stipulations and

Commercial

commercial obligations, that it was injurious to our merchants and interfering seriously in the trade of one of our most important Export products.

On the 15th of August, I received the dispatch from Mr. O. N. Denny Consul General together with a copy of a letter received by him from the Chinese and Japanese Trading company dated August 14th alluded to in your dispatch. I immediately wrote H. E. the Taotai Sui Ch'ang giving him a copy of the Consul General's dispatch together with a synopsis of Mr. Budge's letter. Again availing myself of the opportunity of entering my protest of the issuing of these illegal orders, calling his attention to Article V. of the Treaty of 1844 and 1845; also Article XV. of the Treaty of 1858 and 1859. I requested the Taotai for full answer. His reply in every

way

way upheld the action of the Prefect, and his promise to see the order was revoked, no doubt was made for the purpose of keeping the matter quiet.

Thus the matter remained quiet until Oct. 10th, when I received a despatch from acting Consul General F. S. Cheshire, requesting me to inform him "whether these documents had been rescinded or not." I immediately informed the Taotai of the request received; and his reply was to the same effect, that they had not been rescinded or could not be. He maintaining all the time in all his communications, that they do not injure the trade in any way.

In this letter to the Taotai, I took the ground that local officials had no right or power to issue any such order, that the two High contracting Powers had made

made Treaties and Commercial
Compacts, which neither the one or
the other should disregard, or
much less have them set aside
through the prejudice or interest of
some local officials, that every or
local official throughout the Empire
of China should not be allowed to or
make laws of his own; there or
should be one general law govern-
ing the whole subject &c. &c. &c.

On Dec. 2nd and 11th I addressed
letters to the Prefect in relation to the
matter, and at the request of the or
Consul General respectfully but or
earnestly demanded the revokeing
of these orders. These letters are
at some length. I stated as
best I could, why they were or
regarded as illegal and injurious.
In his answers he strongly defended
the position he had taken, and
the orders that he had issued, and
declared, that if they were not

obeyed

obeyed, he would issue another one, and see that it was carried out. That he was the Governor of the city of Iringpo, and no one had any right to interfere with him, or say what he should, or should not do. Thus the matter stands.

During all this time, there has been more or less oil carried into the city every day. But most of it is smuggled through, or buys its way in. These operations are carried on by the small traders. The wealthier merchants obey the orders for fear of being squeezed. The wealthier citizens do not now use the oil for fear the Prefect would make them pay handsomely, if found out. The streets are not lighted with it, they have returned to the use of bean oil.

In my judgment, it has been injurious to the trade in several ways. The wealthier classes

classes, and of course those who use it the most, do not, because they dare not. The Prefect thus has the moneyed support of the city.

To my mind there is more danger for the future of the Trade both for this and other things. If these orders are allowed to remain in force. If one Prefect or one Taotai can prohibit the sale in one city or province, then all can.

The great bulk of the oil brought to this port does not remain here - vast quantities of it are shipped to the inland towns and cities by the canals. While a great deal is sent down the coast in the Cantonese trading junks.

One reason why so much was shipped to this port in June, July Aug. and September was because of the order issued by the Taotai at Shanghai. They seem to be more afraid of him than they were

of

of the Prefect here. No doubt this market was overstocked, for the amount received during October, Nov. and December was only 66,020 Gallons, making 465,640 Gallons less than for the three previous months.

You can readily see how difficult it is to make a just estimate of the injury, these orders inflict. The best informed Chinamen here - among whom are my Interpreter and writer, say that these orders are injurious. That it creates distrust, and disturbs the Trade. That a great deal less oil is used in the City, there can be no question. But the injury the Trade has received or the damage sustained, would be difficult to estimate.

I am &c.

(Signed) Edwin Stevens

U.S. Consul.

No 16

Mr Young to Mr Stevens

February 5th 1883

Sir,

I have the honor to acknowledge your despatch No 23 dated January 17th 1883 in reference to the condition of the petroleum trade in Ningpo, and to express the thanks of the Legation for the thorough and careful manner in which you have carried out its instructions.

Ningpo seems to be the only point, so far as I am at present informed where there appears to be an active and unmanageable opposition to the use of petroleum. I am still of the impression, as conveyed to

to you in my despatch
No 14, dated January 30. 1883,
that much can be done
in an earnest, friendly
unofficial way to disabuse
the minds of the Chinese
authorities of their
prejudice against
petroleum. I have written
to all of our consuls
in this spirit. Should the
authorities not be amenable
to reason, it will be your
duty to maintain our
undoubted right to trade
in petroleum and to ask
for that trade the protection
which the treaty guaranties.

This
view you will urge upon
the Tsung li, and keep the
legation informed of your
negotiations, to the end
that it may be in our
power

power to make if necessary,
an intelligent representation
to the Foreign Office upon
the subject.

I am &c

(Signed) Jno. Russell Young.

Hankow.

Report from
Isaac T. Shepard, Esquire
Consul at Hankow.

Mr. Shepard to Mr. Young.

Nankow, January, 9th, 1883.

Sir,

In response to the Legation dispatch No. 4. in regard to Petroleum, I have the honour to present the following:

Report.

I have been able, after diligent inquiries, to learn of but one — Proclamation from native authorities, — within the dependencies of this — consulate, interfering with the use of Kerosine. That action I noted in a partial report on trade made to the State Department, November, 26th 1881, and I shall refer to it more particularly farther on. In my — Annual Report, October 1st, 1880. I gave special attention to the trade in Kerosine and stated that the use and extension of the article was constantly increasing. From January 1st to June 30th 1879, there were

were 44,470 Gallons imported at this port. For the same period of 1880 the importation was 216,407 galls - an increase of nearly 300%. The total import for that fiscal year, ended June 30th was 278.787 gallons.

In the partial report above referred to I rolled the entire importation for the next fiscal year, ended June, 30th, 1881, as being only 212,570 Gallons, - a falling off of 66,217 gallons, compared with the previous year. The very next quarter, however, showed an importation of 63,270 gallons, as against 32,430 gallons for the corresponding quarter of the year previous, - almost double the quantity. I Explained the fluctuation as follows: -

(Extract from my partial Report.)

"This fluctuation in consumption is readily accounted for. The introduction of the article as at once a cheaper and better lighting oil than the natives had ever before had, spread with great rapidity,

rapidity, and into extended distances. The people were not familiar with its nature, and were specially careless in handling it, and in the kind of lamps used. In many instances they burned it in the common native oil lamps, and not unfrequently in open vessels, with unprotected wicks floating upon the surface of the uncovered fluid. As a necessary consequence of such reckless exposure frequent accidents resulted and in some instances — serious conflagrations occurred, — carrying extensive destruction to the closely packed, and inflamable cities. Quite naturally the officials, set themselves in hostility to the careless — handling of an article capable of such mischief, as well as of such benefit, and issued proclamations — of warning and of caution only not prohibitory. The influence of these proclamations was at once felt, as every act of the Mandarins is, and

a

a sudden falling off in demand was at once experienced, with the result above given. But caper - care was generated, - the demand partially rallied. - and there is now a daily increasing demand and consumption."

As I remarked at the outset, this is the only hostility I can learn of to the use of the article in this region, and that has quite generally ceased to have effect. The import at Hankow for the entire year 1881 was 260,400, which was the largest of any calendar year to that date. This shews a monthly average 21,700 gallons. But for the succeeding eleven months, to November 30th, 1882, the import was 449,574 gallons, - an increase of over 88%.

The extension of its use in the interior districts is a matter of interest. Of the quantity imported

in

in the eleven months of 1882, there were 111,630 gallons, or nearly 25% of the whole, taken into the interior on transit passes, to the several provinces of Hunan, Hupeh, Ze-chuan, Kwei chow and Kiangsi. Apparently the balance is used in this immediate locality; but careful inquiry convinces me that probably 50% of this balance is also taken into the interior by being smuggled on native boats in small quantities of a case or two at a time. But these facts, as well as the quantity in store, it is difficult to verify, as the dealers here are all natives, and information is very difficult to obtain, and of doubtful character when it is obtained. Reticence and suspicion are characteristic.

From the statistics given it is evident the article is extensively used and is extending considerably,

and

and I know of no present hostility to its introduction. I have heretofore recommended, as a means to increase its use, the preparation by the producers of a suitable popular description of the article and its appliances, with Engraved illustrations of proper lamps, and suggestions pertinent to its care. Such a tract circulated as it could be, could be a source of value to the populace, and quite likely lead to a better estimate of other foreign products.

Respectfully submitted.

(Signed) Isaac F. Shepard.

Consul

Chinkiang.

Report from
E. J. Smithers Esquire
Consul at Chinkiang

No. 23.

Mr. Smithers to Mr. Young.

Tientsin, Jany. 10th, 1883.

Sir,

I have had the honour to receive Your Excellency's despatch of the 9th ultimo, requesting a report on the condition of the petroleum trade at Tientsin.

In response, I beg to enclose a copy of a despatch addressed by me to the Hon. Alvey A. Adee, - Third Assistant Secretary of State, in reply to a circular of the Hon. H. - Hunter, Acting Secretary of State, - dated Sept. 13th, 1882. relative to the same subject. 1/23

I beg, also, to enclose an Extract from my annual report for the past year, on the trade in Kerosene - oil at this port. 2/23

Upon

Upon a careful enquiry of merchants engaged in the petroleum trade, I have been informed, that the fluctuations in the price of the article, during the past 5 years, have been from 1 $\frac{70}{100}$ Taels to 1 $\frac{20}{100}$ Taels per case, the present wholesale price.

With reference to attempts of the Authorities to forbid its use, I am informed, that a proclamation was posted at a small yamen immediately after a fire, which took place about two months ago. This proclamation was only allowed to remain up a few days, having been removed by parties interested in the trade. I learn that the proclamation made no perceptible difference in the sales.

The enquiries I have made with reference to the storage of petroleum in Chinkiang have revealed much carelessness on the part of small dealers, and the subject will be brought by me to the

the attention of the authorities, at an early day.

I have &c. —

(Signed) E. J. Smithers

Consul.

Two Enclosures.

Extract from Annual Report on the trade of Chinkiang for 1881, dated Nov. 20th, 1882.

Kerosene Oil.

The Commissioner of Customs at Chinkiang in his annual report for 1881, makes the following remarks on this trade:

"Kerosene oil has shewn a "steady increase in import for several "years past, and the quantity which "reached here in 1881 stands above "that of 1880 by 21,260 gallons. Its "comparative cheapness and the "excellent light it gives are pretty "certain to insure still further "increase.

Large quantities of Bean and other vegetable oils are produced in China, and were almost entirely in use for lighting purposes prior to the introduction of petroleum, a fact which

and I know of no present hostility to its introduction. I have heretofore recommended, as a means to increase its use, the preparation by the producers of a suitable popular description of the article and its appliances, with Engraved illustrations of proper lamps, and suggestions pertinent to its care. Such a tract circulated as it could be, could be a source of value to the populace, and quite likely lead to a better estimate of other foreign products.

Respectfully submitted

(Signed) Isaac F. Shepard.

Consul

Chinkiang.

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"Kerosene oil has shewn a "steady increase in import for several "years past, and the quantity which "reached here in 1881 stands above "that of 1880 by 21,260 gallons. Its "comparative cheapness and the "excellent light it gives are pretty "certain to insure still further "increase.

Large quantities of Bean and other vegetable oils are produced in China, and were almost entirely in use for lighting purposes prior to the introduction of petroleum, a fact which

which, at no distant day must bring the latter into more general use.

During the past year over 40,000 gallons were sent into the interior under Transit Pass, and this quantity will probably be more than doubled the present year. As an evidence of the growing importance of this trade, it is worthy of mention, that a glass factory has been recently established here for the manufacture of Kerosene lamps. funnels, which, it is said, turns out a more durable article than that imported. It is, also, noticeable, that the time honoured paper lanterns, used by Chinese in walking the streets at night, is being superseded by the more modern Kerosene lantern

. . . .

. . . .

. .

(Signed) E.J. Smithers
Consul.

Newchwang.

Report from
J. J. F. Bauduel Esquire
Vice-Consul at Newchwang.

No. 89/492.

Mr. Bandinel to Mr. Young.

Newchwang, 19th Jan. 1883.

Sir,

In compliance with Your Excellency's despatch No. 4 I have the honour to submit the following report upon the trade in Kerosine Oil.

Ten years ago this article was only procurable at Foreign stores, and being only imported in small quantities for the use of the Foreign residents, was three times as dear as the oil expressed from Beans in this province: the Foreign lamps also in which alone it could be burned, were only procurable at Foreign stores and at prices ranging from

from Three Dollars upwards. — Owing therefore to the high price of the Oil and lamps they were quite neglected by the Chinese with the exception of a very few among the agents of Southern firms, and these only burned a little in their private rooms.

After a while these Agents proceeded to procure their oil and lamps direct from Shanghai, a year's supply at a time. — Hereupon some of the local merchants (through whom all but three of these Agents buy and sell and from whom they hire rooms &c) observing that the Oil was cleaner than the native article and gave a brighter light, and did not require such constant trimming, induced their lodgers to bring them a little from Shanghai and this led to small quantities being imported and offered for Sale in Chinese Shops.

Later on again, some Chinese

opened

opened stores the business of which consisted chiefly in retailing miscellaneous articles of foreign manufacture amongst which were lamps, and thus the quantity of lamps imported increased year by year, and the price declined at the same time, so that wooden lamps for fixing on the walls and glass lamps to stand on desks or tables are retailed as low as thirty cents each: and this, naturally, facilitates the use of oil.
To return to the oil.- When first imported it was retailed at 10 to 12 cents per catty; three or four years ago it could be bought for 6 to 7 cents per catty: at present it is so cheap that a box can be bought for $2.25 which is equivalent to little more than three cents per catty. Besides after using the oil, the buyer still has the box, with 3 or 4 cents as firewood, and the two tins each of which

can

can be sold for at least 7 cents to the dealers in Old Metal. It thus compares very favourably with Bean Oil which is being retailed at about 5½ cents per catty and has to be fetched in the buyer's own can or bottle.

At present then the oil is used in this port by all the Southern Agents; it is also used at desks, in rooms for receiving visitors, and in hanging lamps in passages by the grain and the principal retail dealers; so that the consumption is steadily and rapidly increasing among the trading class.

Private persons, generally speaking, have one or two lamps and some oil which they only use on great occasions such as the New Year's festivities, or when entertaining friends; a few whose dwellings are larger than ordinary, use this oil in their libraries and reception rooms,

but

but like the smaller householders, they do not burn it in the rooms in daily and general use fearing that children or ignorant persons may get hold of it and thus give rise to some disaster.

From this port the use of Kerosine oil and Foreign lamps has spread to Moukden, and in a less degree to Liao Yang, Kaichow and Haicheng: in the other large provincial towns it is almost unknown.

Enquiries made at the Yamên of the Taotai and at the Kaluns of Haicheng, Niuchwang, and Kaichow, elicit the statement that no proclamations have been issued prohibiting, regulating or in any way meddling with the sale or use of Kerosine oil. My informants say they have heard that such proclamations have been issued in Shanghai, and are told they are consequent on the belief that four fifths of the many fires there are

caused

caused by accidents with Kerosine oil.

In Yingtze (Port of Kiuchwang) on the contrary only one or two fires occur in a year and these can be traced to other causes. There was indeed a fire about four years ago in which a shop was burned down; the watchman having gone to sleep a Kerosine oil lamps became over-heated and burst thus causing the disaster. This, however, is the only known instance, and the only result has been to make the natives recognise the fact that the oil is dangerous, and take great care to avoid any further accidents.

The following figures shew the quantity and approximate value of Kerosine oil imported during the four years commencing with 1878, prior to which date it was only included among "Sundries" in the Customs Annual Returns.

1878

1878.	2,000 gallons.	$1950.-
1879	1590 -" -	420.-
1880	6,445 -" -	1,700.-
1881.	12,000 -" -	2,960.-

I am Sir

(Signed) J. J. Fred^k Bandinel.

Vice-Consul.

Ansey.

Report from
W. C. Goldsborough Esquire
Consul at Ansey.

No. 136.

Mr. Goldsborough to Mr. Young.

Amoy, January 20th, 1883.

Sir,

In compliance with the request contained in your despatch numbered 7, dated December 9th, 1882. I have the honour to state that after a careful Enquiry, I find that no Proclamations have been issued by the local Authorities of my district forbidding, or in any way controlling the use of Petroleum by the Chinese; that the quantity of Petroleum imported now amounts to about 500 cases - against some 200 cases five years ago. I may state that the increase has been gradual, the article growing continually in favour with the Chinese. The price during this period has declined from $5.- to $3.60 (present quotation)

per

per case of two tins containing five imperial gallons each. This decline in price, I am informed, has been gradual during the period mentioned.

It can however, be sometimes purchased from Chinese dealers for something less.

The prices quoted are those of the retailer as the article is sold only in that way here, being brought by the dealer from Hong Kong.

These prices of course yield a large profit.

I am, &c &c

(Signed) W. E. Goldsborough.
Consul.

Foochow.

Report from
J. C. A. Wingate Esquire
Consul at Foochow.

My Despatch instructing the Consulate as to the course to be pursued in dealing with the authorities.

No. 34.

Mr. Wingate to Mr. Young.

Foochow, January, 8th, 1883.

Sir,

I have the honour to acknowledge the receipt of your despatches Nos. 9, 10 & 11.

In reply to your enquiries, contained in Nos. 9 & 11 regarding the petroleum trade, and any recent action of the officials tending to restrict it, I report as follows.

Upon my return from Peking, Mr. Cowles, who had been in charge during my absence, informed me that a proclamation against the use of Kerosene had been issued by the Viceroy; that he had once consulted with those interested in the trade as to the probable effect of the proclamation, and had been advised that the matter would soon blow over.

My

My own subsequent investigations elicited the same expression of opinions, and made it apparent that it was not advisable for me to take action in the premises.

Any action on my part at this time would probably tend to intensify the feelings of those who ascribe their recent losses by fire, to the use of Kerosene, and would bring to their aid the argument that foreigners, in their greed for gain were regardless of consequences to the people.

I am afraid that although the use of Kerosene in this suburb has been restricted, and the sale of it by peders in the streets curtailed, the proclamations have had no very general effect upon the wholesale trade.

Kerosene is so much cheaper than native oil and affords so much better light, that the demand for it is almost certain to continue and increase

increase. It will be its own recommendation, and we may hope that experience will teach greater care in its use, and a consequent immunity from accidents. Within the last few months four fires, two of them very large, have occurred in the City:- all of them are asserted to have originated in the use of Kerosene. This fact has given a temporary argument to those who are hostile to the use of the foreign oil, whether from interest in native oil or a general principle of hostility to everything foreign.

To one who sees the inflammable character of many of the native houses at this port, and the carelessness of the people in regard to fire, the great wonder is that fires are not more frequent. Many of the houses are of wood. Very often in the houses of the poorer classes there is not a single piece of furniture which

stands

stands firmly on its legs, - hence the lamps are easily overturned, and a fire is not improbable.

During the late earthquake here, the lamps were overthrown in many houses. Since the recent fires, the neighbours are putting up additional fire walls, which are their chief dependence in staying the progress of conflagrations. It is to be hoped that the people will also be taught to use a better class of lamps, and thus the danger ascribed to the use of Kerosene be reduced to a minimum.

I enclose a copy of the proclamation which was issued by the high officials, and also a copy of the notification issued by the elders of one of the wards on the South side of the river, with the slip which was posted on the houses.

I am informed that the Mandarins

mandarins have themselves — continued to use Kerosene, and that all the better shops over the river are still lighted with it.

I note that it is from the elders and gentry of the Yeng-ward, that have originated most of the anti-foreign hand bills which have been posted during my residence in Foochow.

Kerosene first appears in the Customs returns, as a separate item of import into Foochow, in the year 1879. Its importation for the last four years has been as follows.

1879	88,300 gallons.
1880	115,200 — " —
1881	206,000 — " —
1882.	280,000 — " —

I have &c

(Signed) J. J. A. Ningate.
H. B. Consul.

— Enclosures. —

Copy, proclamation, Ho-Governor Gen.l — Nov.r 8th, 1882

— " — Notice by elders &c of Yeng ward. Dec. 1st, 1882.

Proclamation.

No, Governor General Yew
Chang Governor Lee. } in the matter of a proclamation:-

Whereas:-

Kerosene (fire oil) easily blazes up and is with difficulty extinguished; (but) move it and the result is the beginning of a fire. At Shanghai and Ningpo - prohibitions (of its use) have already been published. At Foochow, both within the city and in Nantai, men's hearths are thick set: dwellings and temples join. Of late years when the calamity of a fire has occurred, it has more frequently resulted - from Kerosine. If one be a little ignorant of the way to light and use it, men are often burned to death.

Accidents before us may

mirror (those to be our own), and later calamity thus be easily avoided. The higher gentry of Foochow have all requested that prohibition of its use be published.

Therefore this proclamation the which with one accord regard, ye shopkeepers and residents. Hereafter, it is important that you no more use Kerosine, effecting injury to others, losing the greater through coveting the less.

As to roughs setting fires, plotting for gain; these should be beheaded on the spot as highway men. Should disorderly persons set fires with Kerosine, the magistrates and military commands have been directed to make stern arrests. You, too, in your precautions were better to be circumspect. If taken in the act and the evidence be irrefragable and concurrent, send (the culprits) to the local

authorities

authorities who will give suitable reward, searchingly examine and punish the disorderly persons.

Do not lightly disobey and incur punishment.

Important: a special proclamation.

November, 8th, 1882.

(Kuanghsü, 8th year, 9th moon, 28th day)

* Including the foreign settlement.

A Petition.

We the elders, gentry and heads of the Associated house-holders of the Teng ward, are preparers of this notice to prohibit by the public the lighting and selling of Kerosine, in order to preserve the quarter and stop the calamity.

We beg (to observe):

To prepare beforehand against accidents was a good teaching of antiquity.

In our Teng ward ten thousand and more families are gathered and located about their several altars to the household gods. The fashions of the whole district are modest and customs excellent. One loves the spot and dwells at ease. To be sure, men's hearths being thick together, the calamity of fire is to be guarded against. Now, of great tribulations, Kerosine is the fiercest. We have often seen the various spots

devastated

devastated in the city and in Nantai (the Southern suburb).
All through inadvertance with Kerosine. Slacken care a moment and misfortune consumes the body: one incautious family draws down (calamity) upon its neighbourhood.

Trace the malady to its origin; it is merely that the light given is suitable and its price low and cheap: only, one does not reflect that in coveting the small advantage he risks unlimited misfortune. How is he so unperceiving?

Now (oil) lamps of chinaware and candles are of unmixed advantage to use and carry about with one: both hanging tumblers (for oil) and gauze wall illuminations are bright and luminious. Why need one run off into side courses, braving perilous brinks, experimenting with his own life and his family's?

With

With those charred heads and brows blistered to pieces, as a warning before us, we elders beseeking by a turn swiftly to evade (the danger), do post and make use of (this) neighbourhood prohibition for every one to follow and observe.

The several prohibitions clauses are drawn out below.

This to lay (it) before you.

Prohibition by all: Shops are not allowed to sell Kerosine.

Prohibition by all: Residents are not allowed to light and use Kerosine.

Prohibition by all: Within a term of ten days all Kerosine is to be clean put away; one is not allowed to retain or conceal it.

A reward of 3,000.- cash will be paid an informer in case of either householder or shopkeeper lighting

lighting or selling. Every one were better to observe the above prohibitions. Should one dare privily to light or sell, on its being found out he will be fined a theatrical entertainment to be given at the common temple of the ward by the Ta chi sheng Co'y, and is to find the $3,000.- cash reward to be paid the informer.

Should one resist and offend a second time, all will together pull down his house, and hand him up for Examination.

December, 1st, 1882.-

Notice by the { Elders. Gentry and Heads of the associated Householders } of the whole Tong ward.

Slip in pursuance of above posted on each front door.

To light or sell Kerosine is forbidden by all. Offenders will be fined by all.—

Despatch. 133
No. 14. Enclosure. 3

Mr. Young to Mr. Mingate.

Peking, January, 30th, 1883.

Sir,

I am in receipt of your despatch No. 34, dated January, 8th, 1883, which has been read with interest. I have to thank you for your clear and satisfactory presentation of the condition of the petroleum trade at Foochow.

I entirely approve of the reserve and caution with which you have conducted your inquiries, and agree with you, in your conclusion that any action on your part at this time "would probably tend to "intensify the feelings of those who "ascribe their recent losses by fire to "the use of Kerosene, and would "bring to their aid the argument that

"that foreigners, in their greed for
"gain, were regardless of consequences
"to the people." The Legation feels
that this is the spirit that should
animate all of our officials in dealing
with the Chinese people. It is always
best to avoid questions, and not create
them, and to trust to time, friendly
advice and good Example to convince
the Chinese that we have their own
good in view, when we ask them
to share the advantages of our
more advanced civilization.

The tone of the last despatch
from the Yamen on the subject of
petroleum, left the impression on
my mind that the objections of
the authorities to its use, were,
formal and Experimental, animated
by fear and not indicative of a
serious purpose to suppress its
use. This is confirmed by the
reports from your own and other
Consulates, as well as from the

Customs

customs revenue returns, showing that there has been a steady increase in the consumption. It is therefore believed that the Chinese people, in spite of absurd proclamations, are learning the value of this beneficent agency and will even know how to render it harmless as well as useful, as we do at home. So long as this is the case, and our interests do not suffer, I would take aggressive action in the matter.

The trade, however, is so important that the Legation will thank you to keep watch over it. Should there be any prohibitory proclamations, a few words of friendly advice and instruction to the authorities as to the character of petroleum and the methods of refining and making it safe, will be of more value than the severest remonstrances. At the same

same time any serious disposition to interfere with the trade will justify you in claiming for it as an article of American Commerce, protected by treaty, all of our treaty rights

I am &c

(Signed) John Russell Young.

[redacted]

No. 134

Herewith no file

duplicate

DEPARTMENT OF STATE
APR
23
1883
RECEIVED

Legation of the United States
Peking February 20. 1883

Mr Young to the
Secretary of State.

Subject
The Passport System

Synopsis
Mr Bahdinel Vice Consul
at Newchwang reports
that the Chinese authorities
wish to impose certain
restrictions upon the
issue of passports.

Mr Young

Mr Young repeats the views of the Legation, approved by the Department in despatch No 41, for the guidance of Mr Bandidel

No 134. One Enclosures.

Legation of the United States.

Peking, 20th February, 1883.

To

The Honourable,

Fredk T. Frelinghuysen

Secretary of State.

Sir,

I have the honour to enclose, a correspondence with Mr. Bandinel, the Vice Consul at Newchwang. — The Taotai at Newchwang refuses to approve passports issued by — foreign legations, unless each passport specifies the place or places, the holder wishes to visit in China, and the routes

1/134

routes he would take in going and coming.

I informed Mr Bardinel that the question had arisen in July, 1882 the foreign office having made a similar request to the legations in Peking, asking that it issue to all consulates as a general institution from the diplomatic body. This you will find in Mr Holcombe's despatch No 147. The Legation pointed out in reply to Prince Kung the manifest inconvenience of the proposed restriction, and showed how it would vitiate the whole passport system. This action was approved by the Department,

in

in your despatch No. 41.

It was only necessary therefore for me to call the attention of Mr. Bandinel to this correspondence to make him acquainted with the wishes of the Department.

I have the honour to be,

Sir,

Your obedient servant

Thos. Russell Crampton.

Enclosures.

No. 1. Mr. Bandinel to Mr. Young.

No. 91/801. 5th February, 1883.

Mr. Young to Mr. Bandinel.

No 11/1. 20th February, 1883.

Despatch 134
No. 91/801. Enclosure 1

Mr Bandinel to Mr Young.

Newchwang, 5th February 1883.

Sir,

I have the honour to inform you that I have received a despatch from the Taot'ai to the effect that, in consequence of a misunderstanding at Chefoo between the British Consul and the local authorities, he has been instructed by the Tsungli yamên to apprise the Consular authorities at this port that in future all passports and local passes must state distinctly the place of departure place of destination and various places to be visited en route by the intending traveller. In reply I have informed the Taot'ai that, in the absence of specific instructions from my High Authorities at Peking I am unable either

either to agree to or disagree from these rules.

I had some difficulty with the Taot'ai in November on a similar point as I wanted letters of protection for the pilots in case they should be unable to return to port the usual way and be landed or wrecked somewhere on the coast.— He required the names of the places where they would land or be wrecked, and to save time I gave him several, after an interview with his deputy.— There are other cases also in which this rule would be inconvenient.

I am &c.—

(Signed) J. J. Frederick Bandinel
Vice Consul.

Despatch.

No. 11. Enclosure.

Mr. Young to Mr. Bandinel.

Peking 20th February, 1882.

Sir,

I am in receipt of your despatch No. 91. dated February 5th, 1883 - in which you inform the Legation that you have received a despatch from the Tsung'li to the effect that "he has been instructed "by the Tsung li Yamên to apprise "the Consular Authorities at this port, "that in future all passports and "local passes must state distinctly "the place of departure, place of "destination and various places to "be visited en route by the intending "traveller." You call the attention of the Legation to the inconvenience of this rule, especially when applied to pilots unable to return to port in the usual way, or who might be

be landed or wrecked somewhere on the coast.

The question here presented arose in 1882 when Prince Kung asked the Diplomatic Body to instruct the Consuls "that in "issuing passports in future "they should declare on the "passport from which place to which "place and which places the "traveller intends to go, and not "again to use the phrase for "the Eighteen provinces'"

To this request response was made, pointing out to the Chinese Government the grave inconvenience of the proposed rule. It was our custom according to law to grant passports for two years, which could only issue under the seal of the Legation. They were mainly given to permanent residents, who used them for going into the interior for business or pleasure.

One

One passport might cover many journeys by the same person to different points, and by different routes, and it would therefore be impossible to specify on each passport all the points to be visited or the roads to be travelled in a period of two years. The request of Prince Kung was declined accordingly as incompatible with the true intent and value of the passport system.

This action was reported to the Department. The Honorable Secretary of State expressed his approval of the views here expressed. They will therefore be accepted by you as the views of the Government, under which the Legation does not see how it is possible, for you, to admit the right of the Tsaotai to impose restrictions and conditions like those reported in your despatch.

I am &c. —

(Signed) John Russell Young.

No 135. Ack by wr & file. Copy to Mr. Foote for his information April 28 1883 Cipher.

Inclosing

DEPARTMENT OF STATE APR 28 1883

Legation of the United States
Peking 20th February 1883

Mr Young to the
Secretary of State.

Subject
China and Corea

Synopsis
Mr Young reports that
Ma Kien Chung, who
was in command of the
Corean Expedition, and
whose recent censure
was said to show the
declining

declining influence of
Li Hung Chang, has been
restored to the imperial
confidence and receives
special honor for his
loyal services

No. 135 One Enclosure.

Legation of the United States.

Peking 20th February, 1885.

To the,

Honourable Fred.k T. Frelinghuysen.

Secretary of State.

Sir,

In my despatch No. 95 I re-
ferred to the censure which had
been passed upon Ma Kien Chung,
the young Chinese official who had-
visited Corea in the Chinese interest
during the outbreak. I repeated -
the belief that the censure of Ma-
was intended as an attack upon

Li

Li Hung Chang, who was his friend and protector and a prop of Li's waning influence.

I now see in the Peking Gazette, a decree conferring a dignity upon Ma, and directing "a special mark of approbation" to be given to Li for their Corean Services. It will be curious to know the nature of the new token of imperial esteem vouchsafed to Li, as he has now apparently all the honours which a Chinese subject can enjoy.

1/135

The incident, however, is worthy of note as a part of the current history of Chinese politics.

It

It shows the interest and satisfaction with which China veived the settlement of the Corean complication last summer. It is likewise fair to suppose that with this new mark of his sovereign's favour, the Viceroy must still be regarded as the master spirit of the imperial councils.

I have the honour to be,

Sir,

Your obedient servant.

Thos. Lumsden Gregory

Enclosure.

1 Extract Peking Gazette.

Despatch 135
Enclosure.

Extract from the Pekin Gazette

(3) A decree conferring rewards on the officials who distinguished themselves during the expedition to Corea. Li Hung Chang is to have a special mark of approbation conferred on him; Chang Shu-shêng receives the title of Junior Guardian of the Heir Apparent, Wu Chang Chün is made a Ching Chi Tu Tsü of the third grade; Ting Ju chang is entitled to wear the Yellow Riding Jacket, Ma Kiuchung receives a peacock's feather and is to be employed as Customs Taotai, and his name

name is to be recorded by the Grand Council. A long list of rewards to subordinate officers follows

Print in For. Rel. 1883

No. 136.

writing

DEPARTMENT OF STATE
APR 23 1883
RECEIVED

Legation of the United States.

Peking. 21st February, 1883.

Mr. John Russell Young
to the - Secretary of State.

Subject:

Domestic politics in China.

Synopsis:

Mr. Young referring to his despatch - No. 83. in which he informed the Department of the retirement of Wang wen shao from the Yamen - forwards a copy of the charges against that statesman as found in the Peking Gazette.-

Gazette. He points out the curious, fanciful way in which supernatural influences are brought to bear upon politics in China - and expresses the belief of the diplomatic body that the fall of Wang Wen Shao was from political causes, and from no reason affecting his personal honour.

No. 136 One Enclosure.

Legation of the United States.
Peking, 21 February, 1883.

To the,
Honourable Fred.k T. Frelinghuysen.
Secretary of State.

Sir,

In my despatch No. 83 I am reported the retirement from the Yamên of Wang Wên Shao, a most useful and enlightened member of that body, with the reasons which, so far as the Legation, could learn led to his withdrawal.

I have now the honour -

to

1/136

to enclose for your information an extract from the Peking Gazette, preferring against Wang, the charges which prompted his resignation. This memorial is from the superintending Censor of the Yunnan circuit. It is a quaint and interesting specimen of the supernatural influence which plays so important a part in Chinese government. What led the Censor to look into the condition of affairs at Peking, was the fact that "a comet had arisen in the East, like a piece of silk in form, with a tail several chang long, stretching away to the south-west, while at the

the dawn its brightness vies with that of the rising sun." Now although the censor does not claim to a knowledge of the science of divination, and cannot give an authoritative explanation of the Divine purposes implied in the cometary visit, history shows clearly from all records that "such phenomena appear alone as a consequence of misgovernment below". The censor thereupon recites in detail certain charges of bribery against Wang, and he asks his dismissal, along with another equally guilty official. These charges he concludes by saying are not only universally made

but

but he "sees them confirmed by celestial portents."

The official result of the inquiry, so far as the guilt or innocence of Wang on the bribery charge has not been made known. It is generally felt, however, that the accusation was a pretext, and that he was forced from public life by the influence of the reactionary party whose power has been steadily on the increase for some time past.

To hear of statesmen, - whose rise and fall are governed by the movements of the planetary bodies, is like reading some Arabian fable. But a memorial

like

like this, which might easily pass as a chapter from a fairy story, is not without interest from a political view when we remember that these childlike, fantastic, romantic theories about comets, stars, and good government, are the profound convictions of men who rule the most populous empire on the globe.

I have the honour to be,

Sir,

Your obedient Servant

Thos. Wade

Enclosure.

1. Extract from Peking Gazette.

Despatch 136.
Enclosure 1.

Copy.

Extract from Pekin Gazette. -

in

North China Daily News,

Tuesday, 23rd January, 1883. -

* * * * * * * * * * *

* * * * * * * * * * *

(1) Memorial from Hung Liang pʿei, - Superintending Censor of the Yünnan Circuit. The appearance of celestial phenomena is always evoked by the state of human affairs; nor do repeated calamities appear from above when the government below is free from fault. Last year a comet appeared in the northern heavens; this year every province is afflicted with flood, and the people are scattered abroad. And now another comet has arisen in the east, like a piece of silk in form, with a tail several chang long, stretching away to the southwest, while at dawn its brightness vies with that of the rising sun. Though the memorialist is not skilled in the arts of divination and the interpretation

interpretation of portents, he finds it stated in all the records that such phenomena appear above as a consequence of misgovernment below. It was for this reason that under the Han when flood and drought occurred, the dismissal of the three Chief Ministers* (三公) was decided on, and the conflagration in the palace during the Sung dynasty was followed by the disgrace of the chief Minister of State. In truth these officers were charged with the duty of harmonizing the Dual Forces and could not escape blame. Now, when Her Majesty listens to affairs of state behind the curtain and His Majesty is still of tender age and occupied in study, their Majesties

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*Under the Han dynasty there were:
大司空 Public Works.
大司馬 (War.)
大司徒 (Civil.)

Majesties rely on these two or three Ministers of the Council for aid and counsel in the government. If the Council were composed of good men, what misgovernment could there be to lament? - But though the Memorialist does not venture to assert that the whole body are men who ill requite His Majesty's bounty and whose hearts are set solely on gain, yet there are one or two such characters among them, a number sufficient to give rise to abuses, unseen but none the less hurtful to the government. The Memorialist saw the sentence on Chou Jui-ch'ing in the Gazette; but he has heard a further report which Ch'en Ch'i-lai did not touch on. It has been of late asserted outside that the Board of Revenue demanded a bribe of Taels 130,000 before passing the Yunnan accounts, but that it afterwards lest Yen Ching-ming should forbid it on his return, the

Board

Board settled the affair for Taels 80,000 — that Ching-lien and Wang-wên-shao both received enormous sums, while the rest was shared among the — minor officials. Public opinion is excited, and all say the same; it is not only the Memorialist that has heard this, the story is known — throughout the Empire. Thus the — affair having come to light, the truth can hardly be hidden from the eyes of all, and general comment has — arisen. The settlement of accounts is an important measure of — imperial finance, and the correction of the inveterate abuses with regard to it depends entirely on the Ministers at the head of the finances. Ching-lien and Wang wên shao are well aware of these abuses, and if they were free from all taint could have easily investigated them with — impartiality, and forthwith revealed the deceit practised. Not so did

they

they do; but on the contrary they willingly received bribes to hush up the affair and connive at the deceit! If the men in charge of the finances of the Empire set the example of avarice and self seeking, how can one blame the underlings for availing themselves of the opportunities to plunder, or the clerks for taking the chance of practicing extortion? Moreover these two men are High Officers of the Grand Council, and the Grand Council originates all measures of government. If these two ministers are thus guilty in their control of the finances, it proves the rottenness of their administration of the government. Now it is want of care in human affairs that causes the recurrence of celestial portents. Such phenomena do not come without a cause. In this case it is not their Majesties that have done wrong; but these men's deeds are such as to make one ask, whose is the

fault

fault if not theirs? The memorialist therefore prays that they be dismissed from the Council and await trial. It is no rash unfounded charge that is brought against them. When Ho Jên and Wên Hsiang were in the Council, they were able to give the Empire prosperity; now that these men are Ministers disasters are rife. The memorialist is a member of the Censorate, and his office is to denounce. He hears the above statements universally made and sees them confirmed by celestial portents. To keep silence would be dereliction of duty. So, although his attack on such high officials cannot but rouse their enmity against him, he dares not at this crisis consider his own loss or gain, nor dare he fail to take into account the prosperity or ruin of the Empire.

(2) The Prince of Tun and Wêng T'ung ho report that they personally examined

examined the Censor Hung Liang p'in as to the grounds for his denunciation of Ching-lien and Wang wên-shao. He asserted that the account-books of the banks Ch'ien Shêng Hêng and Tsui Shun Hsiang would prove the extortion on the part of the Board of Revenue. The bribing of Chou Jui-ch'ing to undertake the affair could be proved by examining Ts'ui Tsun-yi and P'an Ying-chang. The arrangement of the affair could be learnt from Chou Jui-ching. To an enquiry for the names of the agents employed by Ching-lien and Wang-wên shao (who, being ministers of State, could not personally take bribes), the Censor replied that it was hardly likely that such secret matters should be allowed to come to a Censor's ears. His denunciation was founded on general report. Asked from whom he learned the report, he

said

said that it was told him by many persons; literati, officials, shopkeepers, all were unanimous; he could not point out any particular man as his informant. Careful and protracted cross-examination elicited no direct proof, the Censor asserting that he had explained everything in his petition to the Throne, and that it was his duty to report any rumour that he heard. The memorialists forward the Censor's petition.

(3.) Hung Liang p'in's petition in answer to the Decree of 5th October, requiring him to substantiate his accusations. He represents that, not being concerned in the business, he had no means of learning all the particulars, which were naturally kept secret. The persons brought over by Chou-pei-Ch'ing are commonly stated to be Ching-lien and Wang Wen shao; they, too are the persons

won

won over by Chou Jui Ch'ing. The talk of the lanes, the conversation of the streets, all point to these men. Their guilt can be proved by Chou Jui Ch'ing; but the petitioner is not without proof - the assertion of all men. For Ministers of State to excite public criticism is called failing to requite the Imperial favour, for a Censor not to inform His Majesty of what he hears is termed neglect of duty. If he did not report the celestial portent or the general talk, what would be the use of his being a Censor? He has no acquaintance with the officers he accuses, no grudge against them. The case will be clear as day when it is ascertained what Ts'ui Tsun-yi and P'an Ying-Ch'ang did with these bills for taels 150,000 odd, and to whom they gave them.

This means that the
Ward claim on settled on a
basis of 9 per cent int
or claim.
Hoes for the present.

CABLE MESSAGE.

THE WESTERN UNION TELEGRAPH COMPANY.

All CABLE MESSAGES received for transmission must be written on the Message Blanks provided by this Company for that purpose, under and subject to the conditions printed thereon, and on the back hereof, which conditions have been agreed to by the sender of the following message.

THOS. T. ECKERT, General Manager. NORVIN GREEN, President.

NUMBER	SENT BY	REC'D BY	CHECK
403 My	sh n	21	

Received at Washn. 7/12a Feby 22 1883.

Dated Tientsin

Secretary State Washington

Ward Claims paid interest
is instructed Justice Hill Claim
admitted delay in payment requested
Chinese Legation hurt because Congress
legislated Japan indemnity and not in
Chinese indemnity

Holcombe

No 137

Ack by mail

W Wing

DEPARTMENT OF STATE
APR
23
1883
RECEIVED

Legation of the United States
Peking, 22 February 1883

Mr Young to the
Secretary of State.

Subject
The Loo Choo question.

Synopsis
Mr Young forwards the
criticism of a Chinese
English newspaper
upon the diplomatic
correspondence of Mr Angell
in reference to the
Loo Choo Islands

No 137. One Enclosure

Legation of the United States
Peking, February 22. 1883.

Honorable F. T. Frelinghuysen
Secretary of State.

Sir,

The publication of the despatches of my predecessor, Mr Angell, in reference to the Corean question, in the documents accompanying the Presidents Message has attracted much interest in China. I enclose for your information

1/137

information an article from a Shanghai journal on the subject. This journal severely criticises the Chinese, and thinks that the Japanese owe the returns of a diplomatic outrage. I make a special allusion to this warm expression of opinion because it enables me to say that the editor of the journal has always been a partisan of Japan in all questions between Japan and China now contested. His opinions must be accepted

accepted with this reason.

In conversation with a Chinese official the other day, the subject of this sudden breaking off of negotiations upon the Soo Chow question was mentioned. He said that the real reason for China's refusal to sign the convention was because Japan wished to enclose it with two extra provisions — conferring upon Japan new ports and new trading privileges. Because China

China would not allow questions of commerce and trade to enter into a discussion about territorial sovereignty Japan broke off the negotiation.

I do not know how true this may be. The source from which the statement comes however is one of authority

I have the honor to be,
Sir
Your obedient servant

Enclosure

Enclosure.

1. Extract from a Shanghai Journal.

January 27/1883

Despatch 137
Enclosure

Extract

from the North. China
Daily News of 27th January 1883.

The importance of the confidential despatches and memoranda upon the Liuchiu Question, recently published under the title of "Diplomatic Correspondence" by the Government of the United States, can scarcely be overestimated. The dispute is now placed upon an entirely different basis from that which it occupied at first. We have consistently supported the claims of Japan to sovereignty over the Liuchiu Islands, and proved by historical documents that the

the position occupied by China in the controversy is wholly unsupported by any principle of international jurisprudence. Whether however, our contention carried with it universal assent is now a matter of no moment at all. The question at present is not whether China or Japan has the better right to the contested Islands. That has been settled a long time ago, a Treaty being drawn up at the time between the High Contracting Parties which the Tsung-li Yamên agreed to sign on the 31st October 1880. With the provisions of that document we have nothing whatever to do. They have, as far as we

are

are informed, not yet
been made public. The
whole point between the
two Governments at present
is one involving the gravest
charges of bad faith against
the high authorities at
Peking.

It appears from the
documents before us that
during the visit of General
Grant to China and Japan,
the ex-President of the
United States was anxiously
consulted by the representatives
of both Powers respecting the
matter in dispute. The
General suggested that
each Government should
appoint an Imperial
Commission with full
powers to decide the
controversy once for all.
The Japanese Government

acted

acted on this recommendation by appointing as its representative Mr. Shishido, then Minister Resident in Peking, who had previously not been endowed with any extraordinary functions, while China on her side appointed His Imperial Highness Prince Kung and the Ministers of the Tsung-li Yamên. Negotiations upon this new basis were immediately set on foot, and in three months an understanding was arrived at, which was embodied in a Treaty drawn up between the Imperial Commissioners on both sides. The proposal to act on the suggestion of General Grant, be it remarked, came from China, and not from

from Japan. Mr. Shishido's appointment as High Commissioner was duly communicated to, and recognized by, the Chinese Government. The Tsung-li Yamên informed Mr. Shishido that an Imperial Decree had been received, saying, 'Let the Prince and the Ministers of the Yamên concerned negotiate and settle the question.' On the 10th. of October the Yamên wrote to Mr. Shishido that "Our opinions upon the various points are in accord." On the 21st. of the same month the Ministers of the Yamên, who had themselves prepared the final draft of the Treaty, appointed the 31st as the day on which it would

be

be signed. Nothing could be fairer, plainer, or more straightforward. The Plenipotentiaries of both countries had come to an agreement, and nothing remained but to affix the signatures. But on the day appointed for that ceremony, China failed to fulfil her engagement. The necessary signatures were refused; and no answer was vouchsafed to the repeated enquiries of Mr. Shishido as to why so strange a course had been adopted. At last on the 20th December, a letter came from the Tsung-li Yamên, apprising him of the issue of a Decree referring the whole matter to the Superintendents of Trade for the Northern and

and Southern Ports. The negotiations up to that point went for nothing, the agreement arrived at was treated as null and void, and the entire controversy was to await the 'report' of two persons who had not been included in the Commission. We do not hesitate to say that a more glaring instance of international treachery was never placed on record, and all criticism that was passed at the time upon Mr. Shishido's action in leaving Peking in consequence was offered in ignorance of the true facts of the case. There was no hastiness or pettishness on his part, such as has been so freely

ascribed

ascribed to him. On the
contrary, his withdrawal
now appears to have been
no more than a dignified
protest against the —
deliberate insult that had
been offered to his —
Government, — an insult
which under other —
circumstances and in
other countries might have
been considered as an
undoubted casus belli. —
Mr. Shishido himself puts
the case calmly but firmly,
in spite of the halting —
English of the translation.
"If one Power appoints a
representative with full
powers, and the other
Power appoints a —
representative without full
powers, this other Power in
so doing not only violates
the

the provisions of
international law and
treats discourteously the
representative of the other
Power concerned, but,
having at the commencement
of negotiations notified the
other Government that
power to negotiate had been
received, and then, when
negotiations had been
successfully concluded, to
maintain that no authority
to sign had been given,
what is this evasion but an
attempt to trifle with the
other representative, and
an insult to his Government?"
It is the practice for
ratification to be requested
<u>after</u> the signatures of the
Contracting Parties have
been affixed; never for
such ratification to be
sought

sought before the document is signed. Whatever may have been the merits of the dispute in the first instance, Japan is here entitled to the full sympathy and support of all the Powers represented at Peking, for the Chinese Government has now put itself utterly and hopelessly in the wrong. This is not the first time that China has resorted to the same artifice. Lord Elgin was treated in a precisely similar way in 1858, and it is curious that the Chinese should not have laid more to heart the lesson they then received. It appears, however, from what Mr. Angell writes, that China is by no means

alive

alive to the grave —
responsibilities that she —
has now incurred. We —
read that the Ministers of
the Yamên spoke of the
withdrawal of the —
Japanese High Commissioner
"jocosely," and that they
did not appear at all —
perturbed at the course
affairs had taken. "Whether,"
concludes Mr. Angell, "in
their elation at the escape
from war with Russia they
underrate the possible —
significance of this event,
or whether having nothing
to fear from Russia they
are now ready to meet —
the claim of Japan to the
Liuchiu Islands with a
bold front, I will not —
undertake to decide. But
certainly, even if they —
have

have justice on their side
in opposing the seizure
of the Islands by Japan,
they could not well —
contrive a better way to
alienate the sympathy of
all civilised nations from
them in their assertion of
their rights than by the
course which, if we accept
the statement of Mr. —
Shishido, they have now
seen fit to take in their
negotiations with Japan."
The Chinese Government
will do well to take these
remarks into serious —
consideration. Nothing has
occured for a long time
more seriously calculated
to shake the confidence
of Western Powers in the
good faith of Chinese —
policy than the diplomatic
outrage

outrage which has now
been published to the
world. The course of Japan
is of course clear enough.
She must do simply
nothing. Her representative
has been tricked, and a
deliberate slight put upon
her Government. She holds
Liuchiu, and she will
continue to hold it; any
interference with her by
China will henceforward
bear a deeper significance
than heretofore, and in
any resumption of negociations
the initiative and
responsibility alike rest
with the Government at
Peking.

No. 138. Rec'd. 11th June 1883.
April 25 1883. Cit. Ser.

Mr. Young



Legation of the United States.

Peking, 24th February, 1883.

To Portugal
No. 1

Mr. John Russell Young,

to the Secretary of State.

Subject:

Portugal and China.

Synopsis:

Mr. Young reports a correspondence with the Portuguese Minister, who encloses to the Legation the draft of a proposed treaty between Portugal and China, and asks the good offices of the Legation to induce

induce China to sign the
convention. Mr Young points
out that the difficulty in the
way is the Portuguese claim to
Macao - a claim which China
has never conceded - and asks
for instructions.

No. 138. One Enclosure.

Legation of the United States.
Peking, February 24th, 1883.

To the
Honourable Fred.k T. Frelinghuysen.
Secretary of State.

Sir,

I have the honour to enclose 1/138
a letter from His Excellency Joaquim
José da Graça the Portuguese
minister to China, Japan and
Siam, who is likewise governor of
the Portuguese colony of Macao.
His Excellency asks the Legation
to use its good offices to induce

the

the government of China to assent to a convention with Portugal, the text of which he encloses.

I had the pleasure of seeing the Portuguese Minister when in Japan, and said that I had no doubt that my government would do anything in its power to strengthen friendly relations between Portugal and China. I repeat this same belief in my reply to Mr. da Graça and say that having reported our correspondence to the Department I shall be happy if I am permitted to render this or any other office to the government of Portugal.

I

I understand that letters of the same tenor have been addressed to other legations, and that the Yamên has been advised to sign this convention. The difficulty lies in the sovereignty of Macao. Portugal has held Macao for over three centuries. She paid a nominal rent or tribute to China until 1848, when all pretensions of Chinese sovereignty passed away. England had taken Hongkong, which she held without tribute, and why should Portugal not do the same with her acquisition? While China under the duress of war and an armed occupation of her soil conceded the absolute sovereignty

of

of Hongkong to England she has never done so to Portugal as regards Macao. Prince Kung now hesitates to sign a convention which indirectly recognizes a claim China has always resisted. If that difficulty were out of the way, the convention would be signed without question or delay.

My judgment is that it would not be useful to enter into any question of this kind between China and Portugal. We could point out to the Yamên the advantages of friendly relations with Portugal and express the hope that a good treaty may be

be concluded. I do not think that we could go beyond this with advantage or that it is in any way our concern. There would be no use in advising Portugal to surrender a possession, which for three centuries has been as much under her dominion as Oporto or Lisbon. And the abandonment of an ancient claim of sovereignty is too delicate a matter to enter upon with the imperial cabinet.

I submit the whole question therefore to the Department and respectfully ask for instructions. I am anxious to oblige the representative of a friendly nation like

like Portugal, especially as our good offices are sought in this formal and gracious manner. The only difficulty in the way is the sovereignty of Macao, and our saying anything that may look like an interference in that question.

I have the honour to be,

Sir,

Your obedient servant.

Thos. Rumbold Young.

— Enclosure. —

His Excellency Joaquim José da Graça's letter. 20th. January, 1883.

Nº 13/1883.

Mr. Young to Mr. Graça

Nº 25/1883. February 21st, 1883.

Copy.

13/1883. Despatch 138
Enclosure

Mr. Jorié de Graça to Mr Young.

Macao le 20 janvier 1883.

Monsieur le Ministre

Je me suis adressé à la plupart de nos collègues résidents à Peking pour leur demander leurs bons offices dans la négociation que je vais entamer d'un traité de commerce entre le Portugal et la Chine, en leur envoyant des copies du projet; mais je ne me suis adressé qu'à ceux de nos collègues, qui ont reçu des instructions de leurs Gouvernements à cet égard.

Mon Gouvernement ne m'a rien communiqué pour ce

ce qui regarde à une-
réponse du Gouvernement
de la République des États-
Unis, mais moi, qui ai-
eu l'honneur d'avoir-
pris connaissance avec
Votre Excellence, et que j'ai
l'espoir d'être aidé de-
votre expérience et de vos-
bons conseils, je vous prie,
Monsieur le Ministre et mon
cher collègue, d'accepter-
une copie du traité que-
mon Gouvernement désire
célébrer par mon intermède,
de l'étudier et d'entendre-
l'opinion du Gouvernement
Chinois sur son acceptation

J'ai déjà envoyé au-
Ministère-Yamen-une copie
du projet, avec un rapport
en portugais et en chinois;
j'attends la réponse du Prince
de Kong, et dans le cas qu'elle

soit

soit satisfaisante, je
partirai pour Peking au
commencement du mois
de mars; mais ce serait
pour moi un bonheur si
je pouvais compter sur l'appui
de tous mes collègues.

Cependant j'espère que
Votre Excellence m'aidera
dans l'accomplissement de
ma mission.

J'ai l'honneur de vous
envoyer ci-joint un exemplaire
du Mémoire sur la souveraineté
territoriale du Portugal à
Macao - dont je ne ferai
question pour célébrer le
traité, mais dont je profiterais
pour mon pays, si je trouvais
l'opinion générale favorisant
le droit, que l'on prouve.

Je saisis cette opportunité,
Monsieur le Ministre et
mon cher collègue, pour

vous

vous assurer de ma très-
haute considération.

L'Envoyé Extraordinaire et
Ministre Plénipotentiaire de S.M.
Très Fidèle en Chine, au Japon
et à Siam,
(signé): J. Joré de Grace.

Copy.

Sa Majesté le Roi de Portugal et des Algarves et Sa Majesté l'Empereur de Chine, également animés du désir de resserrer affermir et développer les relations d'amitié de commerce et de navigation, qui existent entre les deux États, il y a plus de trois siècles, ont résolu de conclure une convention provisoire sur la base de la réciprocité la plus complète dans le traitement de la nation la plus favorisée pour être en vigueur tant qu'elle n'aura pas été remplacée par un Traité définitif, et dans ce but ont nommé pour leurs Plénipotentiaires, savoir

savoir

Sa Majesté le Roi de Portugal et des Algarves

Sa Majesté l'Empereur de Chine

Lesquels, après s'être communiqués réciproquement leurs plenis pouvoirs respectifs, qu'ils ont trouvés en bonne et due forme, sont convenus des articles suivants:

Article 1er.

Il y aura paix perpétuelle et constante amitié entre Sa Majesté le Roi de Portugal et des Algarves et Sa Majesté l'Empereur de Chine ainsi qu'entre les sujets des deux Augustes Souverains sans exception de personnes ou

ou de lieux.

Article 2ème.

Les Agents diplomatiques et Consulaires, les missionaires ou prêtres, et les sujets de chacune des Hautes Parties Contractantes jouiront en tout endroit dans les possessions de l'autre les mêmes privilèges, les mêmes immunités et exemptions et la même protection dont jouiront en dis circonstances identiques les Agents diplomatiques ou Consulaires, les missionaires ou prêtres, et les sujets de la nation la plus favorisée.

Article 3ème.

Les navires et les produits

produits de chacun des deux États ne seront pas assujettis dans l'autre à des droits de navigation, d'importation ou de transit, de quelque nature ou dénomination que ce soit, plus élevés que les droits ou impôts, qui seront appliqués aux navires et aux produits de la nation la plus favorisée.

Article 4ème.

Tous les avantages en matière de commerce et de navigation et nommément toutes les réductions de droits de navigation, d'importation, d'exportation ou de transit, qui auront été ou qui seront accordés à l'avenir par une des Hautes

Hautes Parties Contractantes à un Tiers État ou à ses sujets sont immédiatement appliqués à l'autre Haute Partie Contractantes et à ses sujets.

Article 5ième.

La présente Convention aura exécution après avoir été ratifié — indépendamment de — l'échange des ratifications, et elle continuera en vigueur tout qu'elle ne sera pas remplacée par un Traité plus développé, ou pendant dix ans, à partir de l'échange des ratifications. Si aucune des Hautes Parties — Contractantes n'aura notifié à l'autre, une — année avant d'être — expiré

expiré ce terme, son intention de faire cesser les effets de la présente Convention, elle restera en vigueur pendant une nouvelle période de dix ans et ainsi de suite tous les dix ans.

En foi de quoi les Plénipotentiaires respectifs l'ont signée et y ont apposé le sceau de leurs armes.

Fait à . . . .

No 25/1883 Dispatch 138
Enclosure

Mr Young to His Excellency
Joaquim José de Graça

Peking, February 21/1883

Monsieur et cher collègue:

I am in receipt of Your Excellency's letter, dated Macao January 20th 1883 in which you inform me of the proposed negotiations between the Emperor of China and His most Faithful Majesty, the King of Portugal for the conclusion of a treaty of commerce and friendship. Your Excellency encloses a copy of His commission and expresses the hope that the Legation will aid

aid you in securing its
acceptance by the Chinese
Government.

I shall take
great pleasure in reporting
this correspondence to my
Government, and I shall be
happy to be permitted to
do all in my power to
gratify the Minister of a
nation, whose friendship
is held in as high esteem,
as the friendship of Portugal
is held by the United States.

I am glad
you propose to visit Peking,
and hope that such a visit
will prove an augury of
success in your negotiations.
I shall then have the happiness
of renewing the pleasant
acquaintance we formed
in Japan.

I

avail myself of this occasion
Mr Mitchell and your colleague
to assure Your Excellency
of my highest consideration
and esteem.

Your obedient servant,
(signed) Jno Russell Young.

No. 139. One Enclosure.

Legation of the United States.

Peking, February 26th, 1883.

DEPARTMENT OF STATE
APR 23 1883
RECEIVED

John Russell Young to the Secretary of State.

Subject.

Account for telegrams.

Synopsis.

Forwards account for telegrams from November 1882 to February, 1883. inclusive.

No. 139. One Enclosure.

Legation of the United States.

Peking, February 26th, 1883.

Honorable F. T. Frelinghuysen

Secretary of State.

Sir:

I have the honor to submit herewith a statement of the account for telegrams sent by this Legation from November 1882. to February 1883. inclusive. 1/139.

The larger items are for messages sent to the Department by Mr. Holcombe from Tientsin during his recent negotiations there in the "Ward" and "Keorjeon" claims.

I

I have drawn upon you in the usual course for the amount of this account — $469.07/100 — and beg that my draft may be duly honored.

I have the honor to be,
Sir,
Your obedient servant.

Jas Russell Gurney.

Enclosure.

1. Telegraph account.
November 1882. — February 1883.

One Enclosure.

Legation of the United States.

DEPARTMENT OF STATE
APR 23 1883
RECEIVED

Peking, February 28th, 1883.

Chester Holcombe to

the Secretary of State.

Subject.

Expense account at Tientsin.

Synopsis.

Forwards a statement of this account with vouchers.

One Enclosure.

Legation of the United States.

Peking, February 28th, 1883.

Honorable F. T. Frelinghuysen.

Secretary of State.

Sir:-

I have the honor to "
transmit herewith a statement 1/ "
of account of my expenses in
my recent mission to Lientsin
in negotiation of the "Ward"
and "Keojeon" claims.

The amount is $586.25/100
is approved by Minister Young,
and is accompanied with
such vouchers as it was
possible to obtain.

I have drawn upon
you

you in the usual course for this sum, and beg that my draft may have due honor.

I have the honor to be,

Sir,

Your obedient servant.

Chester Holcombe

Enclosure.

1. Expenses of trip to Luntsin re "Ward" and "Keorfeo" claims.

No. 140.

DEPARTMENT
APR
23
1883
RECEIVED

Legation of the United States.
Peking, February 28th, 1883.

John Russell Young to
the Secretary of State.

Subject.

Receipt of instructions.

Synopsis.

Department instructions numbers 52. to 65. inclusive have been received.

No. 140.

Legation of the United States,
Peking, February 28th, 1883.

Honorable F. T. Frelinghuysen,
Secretary of State.

Sir:—

I have had the honor to receive Department instructions numbered respectively 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. and 65.

I have the honor to be,
Sir,
Your obedient servant.

Jno. Russell Young.

No. 141.

Legation of the United States.

Peking, March 1st, 1883.

DEPARTMENT OF STATE
APR 23 1883
RECEIVED

John Russell Young to the Secretary of State.

Subject.

Receipt of instructions.

Synopsis.

Department instructions numbers 66. 67. 68. and 69. have been received.

No. 146

Legation of the United States.

Peking, March 1st, 1883.

Honorable F. T. Frelinghuysen.

Secretary of State.

Sir:—

I have had the honor to received your instructions numbered respectively 66. 67. 68. and 69.

I have the honor to be,

Sir,

Your obedient servant.

[signature]

Dr Benedict

No. 142. One Enclosure.

Legation of the United States.

Peking, March 1st, 1883.

DEPARTMENT OF STATE
APR 28 1883
RECEIVED

John Russell Young to
the Secretary of State.

Subject.

Passport returns for 1882.

Synopsis.

Forwards abstract of 34 passports issued during the year ended December 31st, 1882.

E 1/5

No. 142. One Enclosure

Legation of the United States.

Peking, March 1st, 1883.

Honorable F. T. Frelinghuysen

Secretary of State.

Sir:—

Enclosed I have the honor to submit an abstract of the 1/142. passports, thirty four in number, issued from this Legation during the year 1882.

The fees collected, and which amount to $170.00, will be credited to the Government in my account for salary for the current quarter.

I will forward a duplicate abstract by the next mail.

I

I have the honor to be,
Sir,
Your obedient servant.

Thos. Russell Young

Enclosure.

1. Passport returns for 1882.

Despatch No. 142.
Enclosure.

Passport returns.

1882.

142 Mar 1,

Return of Passports

No.	Names.	Date.	State or Country.	Page	Ver
304	Martin L. Stimson.	Feb. 16		25	5
305	Frank D. Gamewell	" 14		24	5
292	A. A. Fulton.	" 22		36	5
294	M. C. Wilcox.	" 27		31	6
295	Joseph C. Thomson.	Mar. 6		29	5
296	Wellington J. White.	" "		31	5
297	Roswell A. Graves.	" 28		49	5
298	John R. Hykes.	Apr. 3		29	5
306	Edward N. Buttles.	" 22		23	5
307	Mary A. Porter.	" 26		35	5
308	Henry D. Porter.	May 6		36	5
309	Charles A. Stanley.	June 3.		49	5
299	Luther A. Gulick.	" 28		54	5
310	Arthur A. Smith.	Aug. 14		36	5
311	William A. Shaw.	" "		26	5
312.	J. L. Whiting.	Sep. 4		47	5

during the year, 1882.

Height.	Eyes.	Nose.	Hair.	Face.	Complexion.
5 ft 10	blue.	ordin.	brown	oval.	florid.
5 ft 9½	brown	roman.	"	"	fair.
5 ft. 10	blue	straight	"	long	"
6. -	"	long.	"	"	light.
5 ft 9	"	prom.	"	oval	dark
5 ft 9	"	grecian	"	round.	fair
5 ft 7	"	prom.	"	oval	"
5 ft 11½	brown	"	"	"	florid.
5 ft 9½	light	stub.	"	round	fair.
5 ft 0½	brown	medium	black.	oval.	dark
5 ft 6	"	straight	brown.	long	"
5 ft 5	blue	"	light	"	blonde
5 ft 9	grey.	Aquiline	grey.	oval.	light.
5 ft 5	black.	straight	black.	"	dark.
5 ft 10	blue	prom.	brown	long	light.
5 ft 10	grey.	"	dark	"	"

1212
Mar. 1

Return of Passports

No.	Name.	Date	State or Country	Age
313	A. P. Peck.	Sep. 4		34
314	Frank M. Chapin	" "		29
315	N. T. Noyes.	" 29		46
330	Stephen A. Hunter	" 13		
331	John Murray	" "		36
332	Charles E. Hill.	" 28		51
336	Hunter Corbett	" 2		46
346	Chauncey M. Cady.	Oct. 9		28
347	Charles D. Tenney.	" "		25
348	I. J. Atwood.	" "		32
316	E. J. Simmons.	" 10		35
317	C. F. Kupfer.	" 27		30
338	Joseph A. Leupenberger.	Nov. 1		44
339	John L. Nevius.	" 15		53
334	John Wood Laughlin	" 22		28
318	John Pike.	" 27		47

during the year, 1882.

Height	Eyes	Nose	Hair	Face	Complexion.
5 ft 9	blue.	Straight	brown	long.	light
6 ft 0½	grey	"	dark.	"	"
5 ft 11	brown	"	"	medium	dark.
6	5 ft 9	blue	long	brown	full.	florid
5 ft 9½	grey.	large.	"	oval.	light
6	5 ft 11½	black	ordinary	"	long.	dark.
8	5 ft 6½	blue.	roman.	"	"	florid.
5	5 ft 10½	"	large.	light.	"	light.
2	5 ft 9	dark.	prom.	brown.	oval.	fair.
5	6 ft -	grey.	high.	black.	medium	dark.
0	5 ft 5	hazel.	med.	dark.	reg.	florid.
4	5 ft 8	grey.	Straight	grey	round.	fair.
3	5 ft 8	blue	large.	"	"	"
5 ft 7	"	roman	dark.	long	"
0	5 ft 8	"	Straight	light	medium	ruddy.

Return of Passports

No.	Names.	Date.	State or Country.	Rec.
340.	Robert.	Nov. 29,		29
319.	H. A. Park.	Dec. 11		24

Legation of the United States
Peking, March. 1st., 1883.

issued during the year, 1882.

Height.	Eyes.	Nose.	Hair.	Face.	Complexion.
5. 11 1/4	blue	medium	light	square	fair
5. 10	brown	straight	light brown	medium	fair.

E. V. E.

[redacted]

United States Minister.

Attaching not to file

Enclosing

No. 143. Two Enclosures.

Legation of the United States.

Peking, March 8th, 1883.

RECEIVED MAY 5 1883

John Russell Young to the Secretary of State.

Subject.

Petroleum trade in China.

Synopsis.

Refers to despatch number 133., and forwards correspondence with the Consul at Canton upon this subject.

No. 143. Two Enclosures.

Legation of the United States.

Peking March 8th, 1883.

Honorable F. T. Frelinghuysen.

Secretary of State.

Sir:—

In my despatch number 133, I gave the Department reports from all of our Consulates in China, with the exception of Canton, showing the condition of the petroleum trade, and the effect upon it of certain proclamations from the local authorities interdicting the use of kerosine as a burning oil.

I have now the honor to enclose the report of Mr. Seymour 1/143.

Seymour, our Consul at
Canton, and a copy of my
2/1143. letter to that gentleman as to
the course which, in the opinion
of the Legation, it is proper for
the Consulate to pursue in
dealing with the Canton
Authorities and protecting
our petroleum interests.

I have the honor to be,
Sir,
Your obedient servant.

Fred. Seymour Young

Enclosures.

1. Mr. Seymour to Mr. Young
No 2. January 29th, 1883.
2. Mr. Young to Mr. Seymour
No. 21. February 28th, 1883.

Despatch No. 143.
Enclosure 1.

Mr Seymour to Mr Young.

No. 2.

January. 29th, 1883.

Sir.

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. . × × .

. . .

The Kerosene monopoly, about which I was requested to give you particulars, is rigidly maintained, under an arrangement between the Chinese Authorities and a China man, or company of Chinese (combined in a corporation or some business alliance), by which the latter have exclusive control of supply and sale of Kerosene, upon paying to the Government a tax or revenue of forty cents per case of two cans. each can containing about four gallons. I have bought several

of

of these cans of oil from Chinese traders in Canton, generally, at a cost of $1.25 per case - the quality being what I understand is known in America as the "Standard" brand = 112° test. In Hongkong, I have also purchased a better quality - such as I suppose to be of some kind as is sold in America under the name of Head light Kerosine Oil, which is said to bear a higher test - 150° of heat; and for this I paid $2.00 per can. Every package of Kerosine brought upon boats into Canton bears a large printed paper pasted to the can, reading "Highly Dangerous". I am told the Hongkong authorities observe great care in enforcing their regulations as to precaution in the handling of Kerosine; and almost as strictly as they regulate sales of powder. I cannot find a package of any Kerosine except -

such

such as bears the brand "De Vis", which I understand is a N. Y. establishment. The high prices at which Kerosine is thus maintained prevents it from being within the reach of the masses of Chinese; and perhaps the expense of Kerosine lamps also prevents its general use; but, still, I should infer from the numerous shops filled with Kerosine lamps, that the more comfortable Chinese are consumers of Kerosine, while the bulk of the Chinese continue to use oil made from ground nuts - sometimes called "Vegetable oil", or "tea oil; but strictly speaking "nut oil", which is used extensively as an article of food, and shipped abroad, following Chinese emigration, for light and food.

× × × × ×

× × × ×

× × ×

(Signed) Charles Seymour
U. S. Consul.

Despatch No. 143.
Enclosure 2.

Mr. Young to Mr. Seymour.

No. 21. February 28th, 1883.

Sir,

As a further reference to your despatch No. 2. I have to acknowledge your observations upon the condition of the petroleum trade in Canton, as requested in my despatch No. 12.

I regret the existence of a monopoly in Kerosine in Canton, but it cannot well be disturbed. So long as this combination serves the petroleum interest and seeks for profits in the development of the trade, it cannot be regarded as a detriment to our commerce. This fact would appear, however, by a comparison of the statistics for the past four or five years, as to the quantities of petroleum bought or sold. I have such statistics from the other consulates, and would like very much

to

to have them from Canton.

It is gratifying to note that there is no interference with the trade by the local authorities: As the owners of the monopoly are Chinese they may be trusted to protect their own interests with their authorities. I see nothing therefore for you to do, but to keep a general outlook on the trade, and should there be such an attempt to interfere with it, as has been seen at some of the other ports, you will bring the matter to the attention of the Legation, and claim from the authorities all the protection to which petroleum is entitled under the treaty.

I am &c. —

(Signed) J. Russell Young.

No. 144.



Legation of the United States.
Peking, March 10th, 1883.

John Russell Young
to
the Secretary of State.

Subject.

Receipt of instructions.

Synopsis.

Department instructions numbers 70. to 81. inclusive have been received.

No. 144.

Legation of the United States,
Peking March 10th, 1883.

Honorable F. T. Frelinghuysen.
Secretary of State.

Sir:

I have had the honor to receive your instructions numbered respectively 70. 71. 72. 73. 74. 75. 76. 77. 78. 79 80. and 81.

I have the honor to be,
Sir,
Your obedient servant.

John Russell Young

Approves. See letter they are putting in Legislation inventory May 8 '83 Ed Co.

Young

No. 145. One Enclosure.

DEPARTMENT OF STATE MAY 5 1883 RECEIVED

Legation of the United States.

Peking, March 12th, 1883.

John Russell Young to the Secretary of State.

Subject.

Account for purchase of law books.

Synopsis.

Refers to Department instruction number 74. Have drawn as authorized — encloses account.

No. 145. One Enclosure.

Legation of the United States.

Peking March 12th, 1883.

Honorable F. T. Frelinghuysen.

Secretary of State.

Sir:—

I have the honor to inform you that, in accordance with the permission granted in Department instruction number 74, I have drawn upon you in the usual course for $50. for certain law books purchased for the Legation, as reported in my despatch number 67. A statement of account is enclosed herewith. 1/145.

I was aware that under ordinary

ordinary circumstances ~~a~~
permission to make this purchase
should have been made in
advance. But, as the books in
question were the property of
a gentleman who was leaving
Peking immediately, I was forced,
either to assume the responsibility
of making the purchase, or to
see the volumes pass beyond
my reach.

I have the honor to be,

Sir,

Your obedient servant.

Enclosure.

1. Account of purchase of
law books.

The United States in account

Purchase of

82.			D.ts
c. 4.	To purchase of law books for Legations as per my despatch No 64.	$ 50	⁰⁰
		$ 50	⁰⁰

Legation of the United States.
Peking. March, 12th, 1883.

with John Russell Young.

Law books.

1883.			C.	
Mar.	12.	By draft on Secretary of State, to balance.	$ 50	00
			$ 50	00

E & O. E.

[signature]
United States Minister.

Despatch No. 145.
Enclosure

Account of purchase of law books for Legation.

No. 146.

Legation of the United States.

Peking, March 13th, 1883.

DEPARTMENT OF STATE
MAY
5
1883
RECEIVED

John Russell Young to the Secretary of State.

Subject.

Customs Reports.

Synopsis.

Forwards, under separate covers 3 copies each of Reports of Trade 1881, and Lighthouse list, 1883.

No. 146.

Legation of the United States.

Peking, March 13th, 1883.

Honorable F. T. Frelinghuysen

Secretary of State.

Sir:-

I have the honor to forward herewith, under separate covers, three copies each "Reports on "Trade at the Treaty Ports for the "year 1881." and "List of Chinese "Lighthouses &c. &c. for 1883", as published by the Chinese Maritime Customs.

I have the honor to be,

Sir,

Your obedient servant.

John Russell Young

Ack by no 4 file

No. 147.

Seal ring

Legation of the United States.

Peking, March 13th, 1883.

DEPARTMENT OF STATE
MAY
5
1883
RECEIVED

John Russell Young to the Secretary of State.

Subject:

Ratification of treaty with Corea.

Synopsis.

Has received with much satisfaction Department instruction number 71.

No. 147.

Legation of the United States.
Peking, March, 13th, 1883.

To the,
Honourable Fred.k T. Frelinghuysen,
Secretary of State.

Sir,

I have the honour to acknowledge your despatch No. 71. from which the Legation learns in an official manner the gratifying intelligence that the treaty of commerce and navigation concluded between the United States and Corea, May, 22nd, 1882. has been ratified by the Senate. I note the explanatory resolution in reference

to

to the transport of native produce from one open port to another open port, and your caution as to the reserve to be maintained in any conversations upon the treaty with interested parties.

I have the honour to be,

Sir,

Your obedient Servant,

H. Parkes Comp.

Copy of the letter of June 5, 1883 from Young to Frelinghuysen acknowledging receipt of instruction of May 8, 1883. Cridler.

No. 148.

Legation of the United States.

Peking, March 13th, 1883.



John Russell Young to the Secretary of State.

Subject.

Education of Chinese at West Point.

Synopsis.

Refers to Department instruction No. 80. China should establish her own military schools. Efforts made to that end by H. E. Li. Obstacles in the way.

No. 148.

Legation of the United States.

Peking, 13th March, 1883.

To the

Honourable Fredk. T. Frelinghuysen,

Secretary of State.

Sir,

I have the honour to acknowledge your despatch No. 80, in reference to the request of the Viceroy Li, that the Government should admit a number of Chinese youths of the highest rank to be educated at West Point. In this you enclose a letter from the Honourable Secretary of War, and call my attention to a communication on the same subject

subject from the Department of War. which was sent to my predecessor Mr Avery in 1845.

I have noted the policy of the Government upon this interesting question. The subject has not been mentioned by the Viceroy since my despatch No 34. I do not think he would have been as solicitous in the matter, but for the fact that we had admitted several Japanese youths to our naval academy. Any favour shown to Japan in which China does not share, is apt to be construed into an evidence of unfriendliness, a tendency to look upon the Chinese as not possessing as high a place in our esteem as the Japanese. -

This

This feeling is more noticeable now because of the strained relations between the two countries.

What China should do, is to — follow the example of Japan and found her own naval and military schools. The Viceroy shares this opinion, and has made an experiment in a — modest way with a naval school, near Tientsin, a reference to which — formed the subject of my despatch — No. 74. I have no doubt that the — Viceroy would make his system general and complete, following the best — methods in the technical schools of — Europe and the United States. He is — hampered, however, by conservative influences in Peking, by the counsels

and

and commands of officials who find the inspiration of their statesmanship - in contrary phenomena - the movements of stars - and the supernatural — influences which can only be divined by a careful study of the winds and the waters. I sometimes think that nothing but a great military disaster, one of those reverses of fortune which we have seen suddenly fall upon other empires, will ever arouse the rulers of China to the necessity of making the best use of the inexhaustible resources of their country, resources varied - enough to give them strength in a time of war and independence in a time of peace.

I have the honour to be,

Sir,

Sir,

Your obedient Servant,

Th. Russell Gray

Ack by no file

No. 149.

Legation of the United States.
Peking, March 14th, 1883.

John Russell Young
to
the Secretary of State.

Subject.

Release of prisoners by Consul at Swatow.

Synopsis

Response to Department instruction number 70. The suggestion therein contained had already been acted upon.

No. 149.

Legation of the United States.

Peking, 14th March, 1883.

To the,

Honourable Fred.k T. Frelinghuysen,

Secretary of State.

Sir,

I have the honour to —
acknowledge your despatch No.
45 in which the Department —
approves the action of the Legation —
in reference to the premature release
of certain prisoners from the Consul-
ar jail at Shanghai, and to express
my thanks for the same.

The Department will note —

that

that the Legation anticipated your suggestion that it would be wise to take no further action in the matter, beyond a warning to the consular authorities that the course of Mr. Stevens should not become a precedent.

I have the honour to be,

Sir,

Your Obedient Servant.

Edmund Gray

FILE
1883

Ack. by mail

No. 150.

Mr. Young

Legation of the United States,
Peking, March 14th, 1883.

DEPARTMENT OF STATE
MAY
5
1883

John Russell Young to
the Secretary of State.

Subject.

Right of transit through the United States to Chinese laborers.

Synopsis.

Refers to Department instruction number 77. Action of our Government on this subject will relieve filing here.

No. 150.

Legation of the United States.
Peking. 11th March, 1883.

To the
Honourable Fred.k T. Frelinghuysen.
Secretary of State.

Sir,

I have the honour to acknowledge your despatch No 47 in reference to the right of Chinese labourers to in transit through the United States and your instructions as to the manner in which the Legation should treat the question in discussions with the Yamên.

I have read with care-

the

the opinion of the Attorney-General and may venture the belief that the action of the Government will go far towards strengthening our position "evidencing" as it does, to quote your words "our sense of justice to China"

As I have had occasion to say in former despatches, the question of emigration has never been alluded to in any of my conversations with the Yamên. The fact that the ministers are reticent, leads to one of two conclusions:— They are satisfied with the legislation of Congress and believe that we have acted with moderation, and candour, and a due regard for the susceptibilities of China. Or they reserve any

criticisms

criticisms upon it, until some question arises, when it may be an advantage to develope the existence of a grievance and to view in that light the exclusion of Chinese labourers from our country.

This may be perhaps an ungenerous alternative, and I prefer to believe that the Government here is satisfied that the action of Congress was dictated by a supreme necessity, and that nothing has been done by the American people inconsistent with a spirit of the sincerest friendship and good will towards China.

I have the honour to be,

Sir,

Your obedient servant,

Fredk Low

FOR[illegible]
1883 Mailing

No. 151 Two Enclosures.

Legation of the United States.

Peking, March 15th, 1883.

DEPARTMENT OF STATE
MAY 24 1883
RECEIVED

John Russell Young to
the Secretary of State.

Subject.

Naval construction by the Chinese.

Synopsis.

Covers reports from Shanghai and Foochow Consulates upon this subject. Motives for this increased activity.

No. 151. Two Enclosures.

Legation of the United States.

Peking, March. 15th., 1883.

To the,

Honourable Fredk. T. Frelinghuysen.

Secretary of State.

Sir,

The frequent rumours in reference to military and naval preparations on the part of China and Japan have interest because of the strained relations between these two countries. I have kept the Department well informed, confidentially and otherwise, of the information that has come to the Legation.

Legation. There are many irritating questions between China and Japan which all require wisdom and patience on the part of the two Governments, or that failing the earnest persuasion of the outside powers to prevent serious complications.

Some weeks ago there was a report that the Chinese were building ten gun-boats at Shanghai and two at Foochow. I made inquiry as to its truth. The result of this inquiry will be found in enclosures from Mr. Cheshire, the Vice Consul General, and Mr. Mingay the Consul at Foochow.

1/151.

Mr. Cheshire confirms the statement

statement so far as Shanghai is concerned but explains that the proposed new vessels, small gun boats are to be iron plated and to do service on the Yangtze river. I do not suppose however, that in an emergency they would be incapable of doing service elsewhere.

Mr. Ningate reports that one war vessel to carry eight guns is almost completed at Foochow, and that the work has been done by Chinese artisans and under the superintendence of Chinese experts who had studied the art in France. It is said also that four more vessels of the same class will soon be constructed at Foochow.

These

These reports have value when read in connection with the news from Japan of appropriations and expenditures for military purposes. It has a further interest as shewing first, that the Chinese Government have resolved upon a steady increase of the navy and second, that they are learning how to build their own vessels, and do not intend to depend upon the Ship yards of Germany and England.

I have the honour to be,

Sir,

Your obedient servant

Thos. Russell Gurney.

Enclosure.

1. Mr. Cheshire to Mr. Young

No

N°152, February, 21st, 1883.

Mr Knigate to Mr Young.

N° 444 March, 2nd, 1883.

Despatch No. 151.

Enclosure 1.

No. 152.

Mr. Gustine to Mr. Young.

Shanghai, 21st February, 1883.

Sir,

In answer to the enquiry made in your despatch No. 35. I have the honour to submit the following information which I have obtained from Chinese sources. Some few months ago Leng Leng Pao commonly known as the Admiral of the Yangtze, memoralized the Throne in reference to the advisability of building small gunboats of light draft for service on the Yangtze river. I understand that the memorial received the favourable consideration of the Emperor and Leng, acting in conjunction with the Viceroy Tso of Nanking decided to build ten vessels of 109 feet (Chinese) in length, at the Shanghai and Foochow Arsenals.

The

The stocks for the first vessel which will be built as an experiment will be laid shortly at the Kiang-nan Arsenal at Shanghai, and after she has been completed, and if found to be a success, it will then be decided as to where the others are to be built. It is thought however that half will be built at Shanghai and half at Foochow.

These vessels are to be iron plated, and all of the material necessary for their construction is to be imported from foreign countries.

They are intended to perform the same services on the Yangtze as the Foochow class of gun boats perform along the coast, i.e. protecting Chinese commerce against pirates.

I am &c.—

(Signed) F. D. Cheshire.

Vice Consul General in Charge.

Despatch No. 151.

Enclosure 2.

No. 44.

Mr. Hillgate to Mr. Young.

Foochow, March 2nd, 1883.

Sir,

In reply to the enquiry contained in your despatch of the 23rd January, 1883, No. 13, I have the honour to report that a war vessel, the "Kai chi [凱濟]" was launched at the Foochow Arsenal on the 11th of January last, and is now in process of completion, although it is not expected to be ready for sea for some six months.

I am not able to give you the details of its size and armament, but eight Krupp guns intended for it, are reported to be now on their way, one from Germany. This vessel was designed by, and built under the superintendence of, the Chinese who were educated in France and returned to Foochow some

three

three years, or less, ago.

Aside from some portions of the machinery and the iron plates, the whole work has been done at the Arsenal.

I understand that four — similar vessels are to be built, but that the laying of the keels is — delayed owing to the fact that the Imperial Commissioner left — immediately after the launching of the "Kai Chi", and a new — Commissioner has not been — appointed.

I have &c. —

(Signed) J. F. A. Wingate.
U. S. Consul.

Not by us to file

Mr Wing

Mr Wing

No. 152. One Enclosure.

DEPARTMENT OF STATE
MAY 24 1883
RECEIVED

Legation of the United States.

Peking, March 15th, 1883.

John Russell Young to the Secretary of State.

Subject.

Loss of the U. S. S. "Ashuelot."

Synopsis.

Forwards, with comments, Hon. Consul Seymour's remarks upon this event. Need of strengthening our fleet in Asiatic waters.

No. 152. One Enclosure.

Legation of the United States.

Peking, March, 15th, 1883.

To the

Honourable Fred.k T. Frelinghuysen.

Secretary of State.

Sir,

I have the honour to enclose a despatch from Mr. Seymour our Consul at Canton, announcing the foundering at sea of the United States Steamer "Ashuelot." This news is also confirmed in a letter from Rear Admiral Clitz, dated Hongkong. February, 26th, 1883. 1/152

While the frank impetuosity

and

and vehemence of Mr. Seymour's criticisms, scarcely commend themselves to the good judgment of the Legation there is reason to fear that American influence in Asia has been retarded by the indifference of the Government to the presence of our flag in these waters, in such form and force as to do credit to the country. The loss of the "Ashuelot" is much to be deplored, as apart from the higher reasons even if her seaworthiness could be called in question, she could always have been useful in the large inland waters like the Yangtze.

I note in the report of the

Honorable

Honourable Secretary of the Navy -
that the subject of naval increase has
met with the earnest and serious -
consideration of the administration.
I see therefore no necessity for entering
into this as one of the questions -
aroused by the loss of the "Ashuelot,"
except to express the opinion that in
no part of the world, is the presence
of naval power of more importance
than in China, and that of all the
naval powers whose flag has been -
seen here there is none with which
we have been able to compete either
in force, armament or sea going -
quality.

I have the honour to be,

Sir,

Sir,

Your obedient Servant,

Geo. Ramsay

Enclosure.

1. Mr. Seymour to Mr. Young.

No. 11. February. 22nd, 1883.

Despatch No. 152.
Enclosure.

No. 4.

Mr. Seymour to Mr. Young.

Canton, February, 22nd, 1883.

Sir,

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The other event is — lamentable, on account of the loss of lives; but otherwise a Providential favour to our Nation. — I refer to the loss of the "Ashuelot", on Lamock's reef, (in a fog), about thirty three miles north of Swatow, while on the passage to that Port from Amoy. — Fourteen of the crew (including three Chinamen) were drowned. The survivors were brought to Swatow; to which Port the "Monocacy" went on evening of 20th instant, from —

Hongkong

Hong Kong, as relief, I understand, under the direction of Admiral Clitz; whose departure to America has been delayed by non-arrival of his successor, Commodore Jeffers.

If Congress would compel the Senators and Representatives, as a condition of eligibility for re-election, to go around the Globe in ships, or craft, of the United States Navy, perhaps Americans would be spared the humiliation of seeing such worthless rubbish as the "Ashuelot", "Monocacy" and "Palos", in contrast with the war-vessels of Japan and China; to say nothing of the more formidable war-ships of some European Powers.

I am convinced that the Government of the United States of America could not well devise a more effectual plan to bring the American Republic into disrepute

or

or decision, than to parade and exhibit their miserable "war vessels" in foreign ports, in the company of the war-vessels of infinite superiority from other countries.

There is scarcely a sailor in the world who would risk his life in one of these U.S. Ships (Navy) for a return voyage to America.

During visits at Canton, this winter, of British, Russian, French and American Admirals, our country has been honoured, by the general appreciation of the community, bearing testimony to the creditable appearance and bearing of the American naval officers: of which I was proud.

I have &c.—

(Signed) Charles Seymour.

U.S. Consul.—

Sent by mo. to file

dis'wing

No. 153. One Enclosure.

Legation of the United States.

Peking, March 16th, 1883.

DEPARTMENT OF STATE
MAY 24 1883
RECEIVED

John Russell Young to the Secretary of State.

Subject.

Interference with Kerosine oil trade.

Synopsis.

Covers further report from Foochow. Opposition is the result of ignorance and fear and is dying out.



No. 153. One Enclosure.

Legation of the United States.
Peking, March 16th, 1883.

To the,
Honourable Fredk. T. Frelinghuysen.
Secretary of State.

Sir,

As a further reference to my despatches No. 73. and No. 133 I have the honour to enclose a report from the Consul at Foochow in reference to an interference with the sale of petroleum by the Chinese Authorities.

The Department will learn from this that notwithstanding the proclamations

proclamations against petroleum -
to which I referred in my despatch
No. 73. the people of Foochow are -
rapidly learning how to use the -
burning oil without danger. In the
presence of this knowledge the -
authorities have no motive for enforcing
their interdict.

Mr. Wingate also reports the
gratifying fact that the burning of
the oil is becoming more general, in
the interior, beyond the treaty ports.

The only point within our -
Consular jurisdiction where there is
any continued opposition to the -
sale of petroleum is Ningpo. I am
in hopes that the Consul, will by a
policy of tact and patience overcome

this

this prejudice, and lead the authorities to see, as has been seen in Foochow and Shanghai, that petroleum is a beneficent agent of nature, and that the only danger to be feared is the danger that comes from ignorance and inadvertence. For this reason I have not brought the occurrences at Ningpo to the attention of the Foreign Office. In dealing with our Chinese officials here, it is always best when a question shows any disposition to right itself, not to trouble the Government for assistance. A feeling of suspicion is aroused, which is apt to degenerate into antagonism, and create new difficulties rather than remove old ones.

ones. Should however, the Ningpo Authorities persist in a course of action injurious to the trade, I will of course invoke the Government's aid in maintaining the rights of petroleum under the treaties.

In my answer to Mr. Ningate, I commend the care he has shown in dealing with this question, and repeat the advice given to him in a letter dated Jan.y 30th/4 which forms an Enclosure to my despatch N.o 132.

I have the honour to be,

Sir.

Your obedient Servant.

Thos. Russell Gurney

Enclosure.

Enclosure.

1. Mr. Hingale to Mr. Young.

No. 41. February. 13th, 1883.

Despatch No. 153.
Enclosure.

No. 41.

Mr. Mingate to Mr. Young.

Foochow. January. 13th, 1883.

Sir,

I have the honour to - acknowledge the receipt of your despatch of January. 15th, No. 12. - calling attention to a newspaper -- paragraph relative to the prohibition of the Sale of Kerosene at this port.

In reply, I have to state that you will, I trust, already have have learned from my despatch of January 8th, No. 37. the main features of the opposition to the sale of Kerosene at Foochow.

Since the receipt of your No. 12, I have again enquired as to the effect of the opposition, and I cannot learn anything new to report.

The use of Kerosene is -- gradually

gradually extending, being re-introduced into shops which had refrained from using it for a time.

I cannot learn that shop-keepers have ever felt compelled to refuse to supply regular customers.

A missionary, recently returned from a long trip into the country, informed me that, in some villages a long way from here, he was asked if the use of Kerosene had been prohibited by the officials; - the proclamation had had no apparent effect in the country, where the use of the oil was extending.

I have &c. -

(Signed) J. G. A. Mingaté.

U.S. Consul.

1. One Enclosure.

Legation of the United States.
Peking, March 17th, 1883.

Chester Holcombe to
the Secretary of State,

Subject.

Expenses at Lieutsin.

Synopsis.

Refers to despatch of February 28th, and forwards a duplicate statement.

/ An Enclosure

Legation of the United States.
Peking, March 17th, 1883.

Honorable F. T. Frelinghuysen
Secretary of State.

Sir:-

Referring to my despatch of February 28th, I have now the honor to transmit a duplicate statement of my account of expenses at Tientsin in the "Ward" and "Keonjeor" claims. 1/4

I have the honor to be,
Sir,
Your obedient servant.
Chester Holcombe

Enclosure.

Enclosure.

1. Expense account at Lientsin in "Ward" and "Keojeo" claims.

Ack'd read with interest - further instruction unwanted. Mr May 24 1883 Bristow

PRINTED FOREIGN RELATIONS 1883

China

No. 154. One Enclosure.

Legation of the United States.

Peking, March 17th, 1883.

DEPARTMENT OF STATE MAY 24 1883 RECEIVED

John Russell Young to the Secretary of State.

Subject.

Macao reopened to emigration.

Synopsis.

Covers report from Consul at Canton, discusses the subject of Chinese emigration and quotes interesting remarks of a high Chinese official upon the subject.

No. 154. One Enclosure.

Legation of the United States.

Peking, March 14th, 1883.

To the,

Honourable Fred.k T. Frelinghuysen -

Secretary of State.

Sir,

The Consul at Canton -

Mr. Seymour informs the Legation -

that a royal decree has been issued

by the King of Portugal re opening

the port of Macao to emigration. In -

consequence of the horrors attending

the coolie trade which was only -

another form of the slave trade -

especially with Peru and Cuba, -

the

the port some years since was closed to all emigration. Emigrants to America before the passage of the law of restriction invariably went from HongKong.

As California and Australia the general destiny of the large number of emigrants from the southern provinces who annually left HongKong have been closed I am anxious to know the motives which inspire the King to open Macao to a trade which would seem to have had a death blow. I have asked Mr. Seymour to send the Legation a copy of this decree and to keep the Legation informed of its purpose and effect. The tendency of the Chinese to emigrate has not been destroyed by the

the restrictive legislation of the American Congress and the Australian Parliament, and it will be of interest to observe which new field will attract their industry and enterprise.

This is a question of political economy of the deepest interest to China. There must be some outlet for these teeming, dense, over-populated districts. Sometimes it comes in famine - as was seen in the northern provinces a few years ago - when hundreds of thousands died from starvation. Sometimes it comes in war, as in the Taeping rebellion, which is said by some authorities to have cost thirty millions of lives. - Humanity cannot

cannot but hope that there will be some other solution than these deplorable consequences. And it is therefore of interest to note the direction of this new movement in emigration from Macao.

In speaking socially and informally, with a Chinese Statesman of eminence, some time since, this question arose. I ventured to say, recognizing the difficulties it imposed not alone upon the Government which had to find food and labour for a redundant population, but also upon friendly governments like those of the United States and the Australian colonies, who were compelled to resist emigration of Chinese subjects by

special

special enactments. that it would be wise for China to seek in some new virgin country, opportunities for her people. I referred to New Guinea or Papua, an island 250,000 square miles in area, and to certain parts of the African continent which had recently been discovered, notably the valley of the Congo river. Under a judicious system of emigration, - which the Government could foster - colonies could spring up, there - would be room for millions now - huddled in dense masses, and in constant dread of famine, and the Chinese could reclaim these savage tracts to the benifits of their own - civilization.

I

I was struck with the reply. "My people", this Chinese Statesman said "are not colonists. They have "not the faculty for colonization, which "has built up so many countries in "various parts of the world under "Western influences. They cannot "take the lead. They must live upon "civilization, of some kind or another, "seek it out, and attach themselves "to it."

I have the honour to be,

Sir,

Your obedient Servant.

Sir Thomas Wade

Enclosure.

1. Hon. Seymour to Hon. Young.
No. 4. February 22nd, 1883.

Despatch No. 154.

Enclosure.

Mr. Seymour to Mr. Young.

No. 14. Canton. February. 22nd, 1883.

Sir,

Two notable events have occurred in this vicinity, to which I respectfully call your attention; — although it is probable you will have learned the facts sooner through other sources of information.

One of these events is a "Royal Decree" now going into operation for the re-opening of the Portuguese Port of Macao to emigration; which was stopped many years ago on account of the Chinese Coolie Trade at that Port having become — practically, slave traffic, attended with brutalities and iniquities, alike intolerable and indescribable, in the shipment and transit of the victims.

I have the honor to be

6

Whether any efficient guards or restrictions are thrown around the measure for the re-opening of Macao to emigration, that will prevent revival and renewal of the deplorable traffic that was formerly carried on through that port, or not, I am unable to determine; but, through correspondents at Macao, I will try to obtain copy of the "Royal Decree" just received from Lisbon. - In any event, I deem it proper that this matter should be attended to, and kept in line with the interests of humanity; and therefore respectfully bring it to your notice.

× × × ×

× × ×

× ×

×

I have &c

(Signed) Charles Seymour

U. S. Consul.

No. 155. One Enclosure.

Legation of the United States.

Peking, March 17th, 1883.

DEPARTMENT OF STATE
MAY 24 1883
RECEIVED

John Russell Young to the Secretary of State,

Subject.

Account for telegrams.

Synopsis.

Refers to despatch number 139, and forwards a duplicate of statement.

TM

No. 155. One Enclosure

Legation of the United States.

Peking, March 17th, 1883.

Honorable F. T. Frelinghuysen,

Secretary of State.

Sir:—

Referring to my despatch number 139. I have now the honor to enclose a duplicate statement of the account of this Legation for telegrams, for the months of November 1882.—February, 1883. 1/155.

I have the honor to be,

Sir,

Your obedient servant.

Jno. Russell Young

Enclosure.

Enclosure:

1. Statement of account for telegrams.

wlosing

No. 156. One Enclosure.

Legation of the United States.

Peking, March 19th, 1883.

DEPARTMENT OF STATE
MAY 24 1933
RECEIVED

John Russell Young to
the Secretary of State.

Subject.

Passport returns for 1882.

Synopsis.

Refers to dispatch number 142, and encloses a duplicate abstract.

No. 156. One Enclosure.

Legation of the United States.

Peking, March 19th, 1883.

Honorable F. T. Frelinghuysen

Secretary of State.

Sir;—

Referring to my despatch number 142. I have now the honor to submit a duplicate abstract of the passports issued by this Legation during the year 1882. 1/156.

I have the honor to be,

Sir,

Your obedient servant.

John Russell Young

Enclosure.

Enclosure.

1. Duplicate abstract of passports issued during the year 1882.

Despatch No. 156.
Enclosure

Passport abstract, 1882.

Duplicate.

Return of Passports

No.	Names.	Date	State or Country	Page
304	Martin L. Stimson	Feb. 16		25
305	Frank. D. Gamewell	" 17		24
292	A. A. Fulton.	" 22		30
291	M. C. Wilcox.	" 27		31
295	Joseph C. Thomson	Mar. 6.		29
296	Wellington J. White.	" "		31
297	Roswell H. Graves	" 28		49
298.	John R. Sykes.	Apr. 3		29
301	Edward N. Buttles.	" 22		23
307	Mary A. Porter.	" 26		35
308	Henry D. Porter.	May. 6		36
309	Charles A. Stanley.	June 3		47
299	Luther H. Gulick.	" 28		54
310	Arthur H. Smith.	Aug. 14		36
311	William H. Shaw.	" "		26
312	J. L. Whiting.	Sep. 11		47

during the year, 1882.

Height	Eyes.	Nose	Hair	Face	Complexion.
5" 10	blue	ordin.	brown	oval.	florid
5" 9½	brown	roman.	"	"	fair
5" 10	blue.	straight	"	long	"
6" 00	"	long.	"	"	light
5" 9	"	prom.	"	oval.	dark.
5" 9	"	grecian	"	round	fair.
5" 7	"	prom.	"	oval.	"
5" 11½	brown	"	"	"	florid.
5" 9½	light	stub	"	round	fair
5" 0½	brown	medium	black	oval.	dark
5" 6	"	straight	brown	long	"
5" 5	blue.	"	light.	long.	blonde
5" 9	grey.	aquiline	grey.	oval	light.
5" 5	black	straight	black.	"	dark
5" 10	blue	prom.	brown.	long	light.
5" 10	grey.	"	dark.	"	"

Return of Passports

No.	Name.	Date.	State or Country.	Age
313.	A. P. Peck.	Sep. 24		34
314	Frank M. Chapin.	" "		29
315	N. T. Noyes.	" 29		46
330	Stephen A. Hunter.	" 13		30
331.	John Murray.	" "		36
332.	Charles E. Hill.	" 28		51
336	Hunter Corbett.	" 2		46
346	Chauncey M. Cady.	Oct. 9.		28
347	Charles D. Tenney	" "		25
348	S. J. Atwood.	" "		32
316	E. J. Simmons.	" 10		35
317	C. F. Kupfer.	" 27		30
338	Joseph A. Leyenberger.	Nov. 1.		47
339	John L. Nevius.	" 15		53
334	John Hood Laughlin	" 22		28
318	John Pike.	" 27		47

issued during the year, 1883.

Height	Eyes.	Nose.	Hair.	Face.	Complexion.
5 ft 9	blue	Straight	brown	long.	light
6 - 0½	grey	"	dark	"	"
5 ft 11	brown	"	"	medium	dark.
5 ft 9	"	prom.	light	long.	light
5 ft 9	blue	long.	brown	full	florid
5 ft 9½	grey.	large.	"	oval.	light
5 ft 11½	black	ordinary	"	long.	dark.
5 ft 6½	blue	roman	"	"	florid.
5 ft 10½	"	large.	light.	"	light:
5 ft 9	dark	prom.	brown	oval.	fair.
6. -	grey.	high	black	medium	dark.
5 ft 5	hazel.	med.	dark.	reg.	florid.
5 ft 8	grey	Straight	grey.	round.	fair.
5 ft 8	blue	large.	"	"	"
5 ft 7	"	roman	dark	long	"
5 ft 8	"	Straight	light.	medium	ruddy.

Return of Passports

No.	Names.	Date.	State or Country	Age
340	Robert M. Gratier	Nov. 29		29
319.	H. A. Parks	Dec. 11		24.

Legation of the United States.

Peking, March, 1st, 1883.

issued during the year, 1882.

Height	Eyes	Nose	Hair	Face	Complexion.
5. 11 3/4	blue	medium	light	square	fair:
5. 10	brown	straight	light brown.	med.	fair.

E & O. E.

[signature]

United States Minister.

[illegible]

No. 157. One Enclosure.

Legation of the United States.

Peking, March 19th, 1883.

DEPARTMENT OF STATE
MAY
24
1883
RECEIVED

John Russell Young to the Secretary of State,

Subject.

Account for law books.

Synopsis.

Refers to despatch number 145, and forwards a duplicate statement.

No. 157. One Enclosure.

Legation of the United States.

Peking, March 19th, 1883.

Honorable F. T. Frelinghuysen.

Secretary of State.

Sir:—

Referring to my despatch number 145, I have the honor to forward herewith a duplicate statement of the cost of certain law books purchased for this Legation. 1/157.

I have the honor to be,

Sir,

Your obedient servant.

Jno. Russell Young

Enclosure.

Enclosure.

1. Duplicate statement of cost of certain law books.

Informed Consul at Canton May 20/83 Thenew

wrong

D. H. Clair

No. 158. One Enclosure.

DEPARTMENT OF STATE
MAY 24 1883
RECEIVED

Legation of the United States.
Peking, March 19th, 1883.

John Russell Young to
the Secretary of State.

Subject.

Commission of G. H. M. Playfair.

Synopsis.

As Mr. Playfair has left Pakhoi, his commission is returned herewith.

No. 158. One Enclosure.

Legation of the United States.

Peking, March 19th, 1883.

Honorable F. T. Frelinghuysen

Secretary of State.

Sir:—

Recurring to Department instruction number 69., which covered the commissions of Mr. G. H. M. Playfair and Mr. J. M. Jordan as Consular Agents of the United States at Pakhoi and Kiung Chow respectively, I have the honor to inform you that the first named gentleman has left the port to which he was accredited. I beg leave therefore

therefore to return his
1/158. commission herewith.

I have the honor to be,
Sir,
Your obedient servant.
Jno Russell Young

Enclosure.

1. Commission of Lieut. Playfair.

Filed by mistake

holding

No. 159. One Enclosure.



Legation of the United States.

Peking, March 20th, 1883.

John Russell Young to the Secretary of State.

Subject.

Affairs in Tongkin.

Synopsis.

Covers a memorandum of a conversation between Mr. Holcombe and H. E. Li upon this subject. Danger of trouble between France and China.

No. 159. One Enclosure.

Legation of the United States.
Peking, March. 20th, 1883.

To the,
Honourable Fred.k T. Frelinghuysen.
Secretary of State.

Sir,

Much interest attaches to the movements of the French in Annam, an interest which has been increased by the news of a Vote by the French Chambers of a sum of money to furnish an Expedition into that country for the advancement of the French Colonial dominions.

I requested Mr. Holcombe —

during —

during his stay at Tientsin to bring the question to the attention of the Viceroy, and ask for any information in the possession of the Chinese Government.

From the Viceroy's statements as will be found in Mr. Holcombe's report, we must draw the inference that the French intend to deal with Annam in their own way, and ignore the claims of the Chinese Government. Thus far the Cabinet has not been able to gain any satisfaction from France, either through the French Legation in Peking or the Chinese in Paris.

1/159.

You will be interested in the Viceroy's declaration that he intends

intends if necessary to send a force to Annam, to protect the Annamese, and maintain the Emperor's suzerain rights over that province. This purpose may precipitate a collision with France. As it is difficult to see how there could be any trouble of this character without seriously interfering with the Opium trade, Great Britain will probably have something to say as to the wisdom of a settlement.

I have the honour to be,

Sir,

Your obedient servant

Thos Russell Crampton

Enclosure

1 Affairs in Tonquin.

January 22nd, 1883.

Despatch No. 159.
Enclosure.

Affairs in Tonquin.

Report of a conversation between H. E. Li and Mr. Holcombe. –

In the course of general conversation H. E. inquired if Mr. Holcombe had any recent information regarding the French invasion of Annam.

Mr. Holcombe replied that he had heard nothing definite. There had been several Reuter telegrams in reference to a French Expedition but they were so vague and contradictory that nothing could be gathered from them. He added that he had been informed that H. E. and Monsieur Borel, the French Minister had discussed the subject, and asked if this were true.

H. E.

N. E. replied that it was, and added that their discussions amounted to nothing. Monsieur Borel professed to know nothing of the intentions of his Government towards Annam, and disclaimed all authority to settle anything. — Marquis Tseng the Chinese Minister in Paris, had similar difficulty. as the French Foreign Office — professed to know nothing as to the orders given to the French authorities at Saigon, and not to be in a position to furnish or seek any information. There were therefore three parties on the French side of the question, Monsieur Borel, the French — Foreign Office, and the Governor at Saigon, and neither one of these admitted any knowledge of, or authority to declare or control, the intentions of the other. In such a situation it

was

was plainly impossible to reach any satisfactory understanding.

Mr. Holcombe said that he had been informed that an arrangement had been reached between H. E. and Mr. Borel, under which the French were to do what they pleased with Annam, provided they guaranteed the continuance of the annual tribute of Annam to China amounting to 1,000 peculs — say 133,000 pounds of rice. He asked if this were correct.

H. E. replied that a proposition of this sort had been suggested by Mr. Borel and discussed, but that nothing had come of it. He added that, now that the reputed author of the recent aggressive and unjust foreign policy of France was dead (Mr. Gambetta) he hoped that a more reasonable and conciliatory

conciliatory course would be taken, and that the French Government would cease its attacks upon people who had never wronged it or its subjects.

Mr. Holcombe inquired whether China had sent a military or naval force to Annam.

H. E. answered that Chinese officials had been sent there to examine and report, and that, if it proved to be necessary, a Chinese force would be sent to aid the Annamese and to maintain the rights of suzerainty which His Majesty, the Emperor of China, exercised towards that Kingdom.

H. E. seemed much excited during the conversation, and denounced "the selfish and "grasping policy of France" in unmeasured language.

(Signed) Chester Holcombe.

Tientsin, January, 22nd, 1883.

Ack by no file

dwing

Confidential

No. 160. One Enclosure.



Legation of the United States.
Peking, March 20th, 1883.

John Russell Young to
the Secretary of State.

Subject.

The opium question in China.

Synopsis.

Covers report of conversation between Mr. Holcombe and H. E. Li Hung Chang, with a scheme for dealing with this question as prepared by the former at the request of Li.

No. 160. One Enclosure.

Confidential.

Legation of the United States.
Peking, March, 20th, 1883.

To the,
Honourable Fred.k T. Frelinghuysen.
Secretary of State.

Sir,

In my despatch No. 34, dated October, 10th, 1882 I had the honour to submit the notes of a conversation with His Excellency Li, upon the Opium question, in which I gave to that minister some views as to the practical way of dealing with the problem, and advising him to

send

send an Embassy to England or if possible head one, with powers to make or complete an honourable settlement. I was gratified to learn from your despatch No. 61, that this advice had received the approval of the Department.

During Mr. Holcombe's recent visit to Tientsin, under instructions from the Legation to seek an arrangement in reference to our claims, the Opium question was brought up by the Viceroy. Mr. Holcombe prepared a plan, which he submitted to the Viceroy. A copy of this with Mr. Holcombe's memorandums of conversations forms an enclosure to this despatch.

1/160.

despatch.

Mr. Holcombe's plan meets with the approval of the Legation, and I trust will find favour with the Department. The subject is one which commends itself to humane and Christian sympathies, and I shall be pleased if any advice or assistance from us will enable China, to deal with this overmastering wrong, threatening the very existence of her people, in such a manner as to extinguish it altogether, and to do so, without new complications with England or India.

I have the honour to be,

Sir,

Your obedient Servant

Thos. Russell Crump

Enclosure.

Enclosure.

1. The Opium Question.

Scheme for the suppression of the use of foreign and native Opium.

Submitted to H. E. Li at his request at Tientsin.

February, 3rd, 1883.

Despatch No. 160.

Enclosure.

The Opium Question.

Confidential.

Report of an interview between H. E. Li, and Mr. Holcombe.

In a general conversation with Mr. Holcombe upon the 13th inst. January, H. E. referred to the Opium question, the great anxiety which the Chinese Government felt to take measures to put an end to the traffic in and use of the drug. He said that he was well aware that the subject had been discussed many times and at great length between the Foreign Office and Mr. Holcombe, and asked the latter whether he had no plan or scheme for dealing with the question in an efficient and practicable way.—

Mr. Holcombe replied that he had developed a scheme in

his

his own mind which seemed to him simple, easily carried into operation, and effectual if enforced with discretion and vigour. At the same time the questions at-issue were exclusively between China and Great Britain on the one hand, as regarding foreign opium, and between China and her own people on the other, as regarding the native drug; and hence it was a delicate subject for him, as an officer of another Government, to touch. At the same time he felt the deepest sympathy with China upon the subject and was exceedingly anxious that she should seek some efficient means by which to end the traffic.

N. E. urged Mr. Holcombe to formulate his scheme and promised that whatever might be placed in his hands should be

be held as sacredly confidential and that Mr. Holcombe's name should not be mentioned in connection therewith.

Under these circumstances Mr. Holcombe promised to lay his plan before A. E.

Accordingly at a private interview had with Di, February 3rd the accompanying draft was submitted. It was in Chinese, unsigned, and bore no marks to indicate its author. 1/-

A. E. read it over with great care, and much evident interest, and then expressed his unqualified approval. He said it was the most simple, practical, and yet efficient plan that had ever reached him, and he felt certain that if acted on it would prove a success. He said the difficulty would be to induce his

Government

Government to take action. — The question was a very serious one and the experience of their officials had been that, any attempt to negotiate with Great Britain in regard to Opium, had only fastened the curse more firmly and hopelessly upon them. In the past any effort to extricate themselves had only caused them to sink deeper into the mire.

Mr. Malcombe replied that he knew well the history of the question and felt that China had a right to complain of the course taken in the past. But public opinion upon the Opium traffic had changed and what had been done in 1842, and 1861, would be impossible in 1883. He felt assured that if that part of the scheme which referred to Indian Opium were undertaken with care, intelligence, and discretion,

discretion, it would meet with success, provided China was prepared to act with sincerity, and enforce a prohibition in regard to the growth and use of native opium. The success of the plan would hinge largely upon the course taken with the Chinese drug.

N. E. admitted this, and declared his entire approval of that part of the plan which dealt with native opium. All plans hitherto submitted had been so cumbersome and complex as to be inoperative, "but in this," he added, "you have indeed seized the serpent by the neck."

N. E. asked if it was in Mr. Holcombe's mind to have him displaced at the head of the proposed "Special Mission".

Mr. Holcombe replied that it was, and that, with N. E. as the

the Ambassador, the success of the Mission was assured in advance.

N. E. said he would go with pleasure, if directed to do so by the Emperour, and he felt certain that he could carry the necessary negotiations to a satisfactory issue.

Mr. Holcombe said that the question was by far the most serious that had ever arisen between China and any foreign Power, and that the Statesman who should be able to lead his people out of this difficulty would rank even higher than Confucius with future generations of Chinese.-

N. E. assented to this statement. He then objected to the proposition that during the 20 or 25 years limit the duty on Opium should be kept at the Tientsin Tariff, as being too low. Mr. Holcombe remarked that this was an unimportant question

of

of detail, and did not seriously concern the scheme.

N. E. then reverted again to the difficulty of securing action on the part of his Government - because of their fear and repeated failures in the past. He asked if Mr. Holcombe had laid this plan before the Foreign Office. Mr. Holcombe replied that he had not. Li urged him to submit it privately to some member of the Privy Council, who was also in the Foreign Office, and suggested Li Hung Tao. He also would submit it to the Privy Council. and he hoped in this way to secure action upon it. Mr. Holcombe replied that he could not, at the moment, promise to submit the scheme in question to Li Hung-tao, or any other member of the Privy Council, but would think about it.

N. E. then went on to say:-

"The

"The trouble is that our Emperor
"is now a minor, but will in three
"or four years more ascend the
"Throne. In the meantime, the Regency
"and other high officials of State are
"afraid to take up any of these very
"serious questions, lest dangerous
"complications result, for which the
"Emperor, when he assumes power,
"should hold them personally responsible.
"And," he added with some
"bitterness in his tone, "His Majesty
"is not being educated in a way to
"prepare him to understand and
"cope with any of these difficult
"problems. Why," he said, "when I
"was in Peking last year (1881) I
"had numerous audiences with
"the Empress Regent and in one
"of them, I broached the opium
"question, and ventured to express
"the hope that His Majesty was
"being so educated as to cause
"him to understand what an
"awful

"awful wrong and curse to China.
"the traffic in and use of opium -
"was, and that in this way his -
"mind would be so prepared that
"when he ascended the Throne he
"would take vigorous measures to
"suppress the vice." But the Empress
"Regent replied that His majesty
"had never been allowed to hear the
"word opium even mentioned. He
"did'nt know that there was such
"a drug. How can we hope, in
"added Li" that he will be able to -
"deal with this evil"!

The conversation then was terminated, H. E. renewing his request that Mr. Holcombe would submit his plan to Li Hung Chan.

(Signed) Chester Holcombe.

Tientsin, February 5th, 1883.

Confidential

Scheme for the suppression of the use of foreign and native — Opium.

Submitted to H. E. Li at his request at Tientsin, February 3rd, 1883.

I. The Chinese Government should send a Special Embassy to Great Britain upon this — subject. The Ambassador should be an official of the highest rank, of great ability and of world wide reputation. The members of his suite should be chosen with — reference to their knowledge of Western laws and Customs. — And among them should be a foreigner of any nationality —

except

except English who should hold the rank of Secretary of Embassy.

Note. A Special Embassy should be sent in order to remove the suspicions entertained by the English people as to the sincerity of the Government of China in its professions of a desire to be rid of opium, and to show the gravity which China attaches to the subject. It is doubtful whether negotiations undertaken by the minister in England would be successful. As for example, it may well be doubted whether the United States would have accomplished its desire in the question of Chinese labour immigration in 1880, had not a special

special Commission been despatched to China to conduct negotiations.

A foreigner should be attached to the Embassy as Secretary, because there are many minor details of etiquette, custom, — in diplomatic procedure etc. etc. — which are peculiar to Western — lands and with which — no Chinese officials are thoroughly familiar. Although these are matters of detail, and in one — sense comparatively unimportant, observance or violation of them will necessarily have a close connection with the — success or failure of the Mission

II.

II. The Ambassador should be instructed to proceed to Great Britain by way of the United States, and efforts should be made to secure so far as may be practicable the good offices and assistance of that Government. As Russia and Brazil have also entered into Treaties with China under which the subjects of those Governments are forbidden to traffic in Opium in China, the good offices of the Diplomatic Representatives of those powers in Great Britain should also be sought.

III. The Ambassador thus appointed should be instructed, as a general line of policy to seek an agreement with the British Government under which the total import of Indian Opium into China should cease within a

a limit of say 20 or 25 years, and to this end, that the yearly import should be lessened at the rate of say 5% or 4% per annum.

In return for this the Chinese Government might agree that, in the meantime, the import duty on opium at the several open ports should be levied at the rate fixed in the Treaties of Tientsin, and not at the higher tariff agreed to in the Chefoo Convention.

The suppression of the Growth and use of native opium.—

It is constantly asserted in Great Britain that the Government of China is not sincere in

in its professions of a desire to put an end to the use of opium among its subjects, and that its real aim is to suppress the traffic in the foreign drug in order that the entire profits of the trade may inure to its own people. Hence it is of the utmost importance that an efficient scheme for the suppression of the growth and use of native opium should be devised and put into operation, in order to allay this widespread suspicion and to enable the Chinese Ambassador to convince the British Government of the entire sincerity of China in her expressed desire to stop the use of all kinds of opium among her people.

In the opinion of the writer, the failure of all efforts made in the past by the Chinese Government to put a stop to this monstrous evil, is due to the fact that these efforts

have

have taken a radically wrong direction. The venemous serpent has been seized by the tail instead of by the neck. Hitherto Edicts have only been directed against the growth of the poppy by the farmers and the use of opium by the common people. But so long as perhaps one half of the officials of all grades in China, from the highest Ministers of State down to Sub Prefects and District Magistrates, to whom the enforcement of these prohibitive decrees is necessarily entrusted, are themselves habitual smokers of opium, how can it in reason be expected that they will manifest any vigour or good faith in the execution of His Majesty's will in this important matter. So long as the enforcement of the law is left in the hands of persons who are themselves creatures of the opium habit, public opinion upon the

the subject will not be affected, and no appreciable relief need be hoped for.

Hence if it is desired to use energetic measures for the suppression of the vice, the official class must first be dealt with, second the literary class, and, last of all, the common people. By dealing with the subject step by step in this order alone, can this serpent be really and finally exterminated

The writer's plan of action upon this general basis is as follows:-

I. His Majesty the Emperor should issue a Decree to the effect that all officials, of whatever grade, who are Opium smokers be retired from office and sent to their respective homes and commanded to break off from the vice within

a

a space of two years. If within the limit mentioned any of them furnish satisfactory evidence - that they are cured of the habit, such should be restored to their original rank and positions.

The places vacated by these retirements and all other vacancies should be filled by persons who do not use the drug. And Opium smokers should in future be iligible to no post in the gift of the Government.

Note.- In this way, His Majesty would not only secure the vigorous - enforcement of his will by officials who were not themselves guilty of - violations of it, but these officials, - being aware that they owed their appointments to the fact that they had no connection with the Opium vice, would be further stimulated to the exact and rigid execution of all Decrees relating to the drug by the hope that such action on

their -

their part might lead to further advancement.

II. His Majesty, the Emperor, should next issue a Decree ordering that no opium smokers be admitted as candidates at the various grades of official examinations, and fixing a limit of two years within which, as in the case of all officials, members of the literary class of every grade be required to cease from smoking opium. And it should be plainly stated as a penalty that in case at the expiration of the term of two years the habit had not been abandoned persons still guilty of it should be permanently rendered ineligible to enter any of the public examinations. The same order and limit as to time should apply to all members of the literary class who have

have passed any or all of the examinations. And any of this class who, at the expiration of the period named are still guilty of the vice of Opium smoking, should be stripped of their degrees and titles, - and all special privileges, in connection therewith -

Note.

The writer is well aware - that height of ambition in the minds of all Chinese is to achieve distinction in literary pursuits.

There is no parent or brother in all the Empire who - does not desire this sort of renown for his son or - brother. If then all such were aware that this vice of Opium smoking would bar any person addicted to it from the Public examinations - and hence from all hopes

of

of literary fame, or would bring degradation and public disgrace upon all of its victims who had already received literary degrees - unless they broke away from it, - they would by every possible means seek to warn, encourage and - assist their wive and brothers to give up the dreadful vice and thus to avert disgrace from their families.

By this process a strong public sentiment will be created and kept alive among the members of the extensive and influential literary class that opium smoking is disreputable and a disgrace, and, aided by this sentiment, no serious difficulty in eliminating the vice need be apprehended.

With regard to the common people, when they see a change of opinion in the minds of the literati, and that the latter regard opium smoking with contempt, they

they will follow in the same train, and without the necessity for repressive measures. And when the literati and the mercantile classes cease to smoke opium farmers, without any inhibition, will cease to grow the poppy plant for they will see that, since no one smokes the drug, there is no longer any sale for it. Thus poppy cultivation will cease without any exercise of authority on the part of His Majesty.-

In conclusion the writer begs to observe that the present appears to be a most opportune moment for taking action in this matter. Since the conclusion of the Treaty between the United States and China under which citizens of the United States are forbidden to traffic in Opium, the discussion of this question has revived and many prominent and influential men in Great Britain openly declare

declare that their Government has dealt unjustly with China in this matter, and who have sought — legislative action to suppress the Opium traffic. There is, as Y. E. is well aware, an Anti Opium Society in Great Britain with which members of Parliament and other persons of — influence are connected. It is — understood that the recent visit of Sir Thomas Wade to England is in connection with discussion of the Opium question. The writer has repeatedly spoken with Sir Thomas Wade and other Englishmen on the Opium question and has been told by them that in their opinion Great Britain would be able and willing to agree to such a plan as that proposed herein. Furthermore the entire body of Protestant Missionaries in China has quite recently presented a — memorial to the House of Commons setting forth the evils and injustice being done by

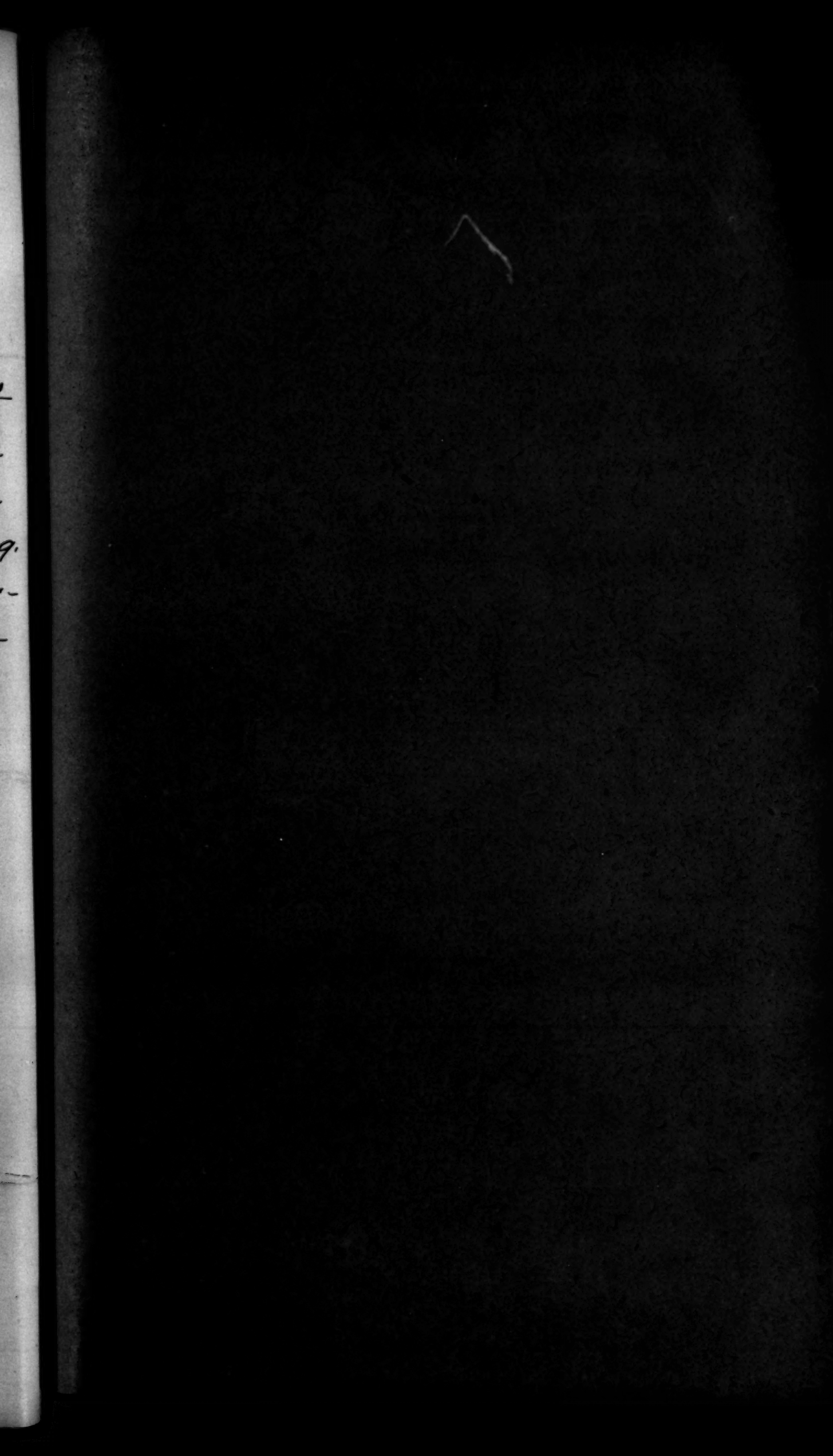
by the course of Great Britain in the Opium traffic, and saying plainly that England is in the wrong in her course, and asking that steps be taken to relieve China from this curse.

In view of these facts, the writer is entirely convinced that, if China will embrace the present favourable opportunity, and move with vigour and determination in this question no serious obstacle will be encountered. The point of vital importance in the whole business is to move simultaneously and determinedly forward to curtail the use of foreign and native Opium in order to convince the English people of the sincerity of your motives and to actually rid your people of this awful curse. The blame at present must be divided between Great Britain and China. If England refuses to listen to your protests and insists

insists that this curse must still be endured, then the wrong will rest upon her shoulders. But, on the other hand, if Great Britain yields to your representations, — and you fail to deal properly with the question of native Opium, and, as a result, your people still continue to destroy themselves with the drug, then you are guilty of self destruction. And, who can bear the burden of such a crime?

(Signed) Chester Holcombe.

Tientsin, February, 2nd, 1883.



Add by Mo. file

during

No. 161. Two Enclosures.

Legation of the United States.

Peking, March 20th, 1883.

RECEIVED MAY 24 1883

John Russell Young to the Secretary of State.

Subject

Traffic in opium at Chinkiang.

Synopsis.

Refers to despatch number 57, and encloses further correspondence in relation to the charge made by the Chinese Authorities at Chinkiang that an American citizen at that port is engaged in the opium trade. Case probably settled.

No. 161. Two Enclosures.

Legation of the United States.
Peking, March, 20th, 1883.

To the,
Honourable Fred.k T. Frelinghuysen.
Secretary of State.

Sir,

In my despatch No. 54 I transmitted to the Department copies of a correspondence between the Chinese Authorities at Chinkiang and Consul Smithers in regard to the engagement of American citizens in the Opium traffic, with my approval of Mr. Smithers' action. I have -

now

1/161 now the honour to enclose further
papers which have been received
from him upon the same subject.

From these it will be seen that
the Intendant of Customs had a
certain ground for his suspicion -
that Mr. Emery was still engaged
in the sale of Opium since a sign
to that effect was allowed to remain
exposed at his place of business. I
infer from Mr. Smithers' despatch -
that this sign has been removed, and
do not anticipate any further cause for
complaint in the premises.

2/161. I have approved of Mr. Smithers' action and have informed him that the attention of Congress has been called to the need of further

further legislation to enforce Article II of the Commercial Treaty of 1880.

I have the honour to be,

Sir,

Your obedient servant

Thos. Sumner Gregory

Enclosures.

1. Mr. Smithers to Mr. Young.
   No. 27. March, 5th, 1883.
2. Mr. Young in response.
   No. 14. March, 13th, 1883.

Despatch No. 161.
Enclosure 1.

No. 27.

Mr. Smithers to Mr. Young.

Chinkiang, 5th March, 1883.

Sir,

I have the honour to transmit herewith enclosed, a Return of the Official correspondence at this Consulate for the month of February last. 1/-

I beg, also, to enclose a copy of a despatch forwarded to the Taotai, in reply to his of the 2nd Inst. informing me, that the Ho-chi-hong, of which Mr. D. A. Emery, an American Citizen was proprietor, had a sign board hanging out, with the words inscribed thereon "Opium for Sale". You will perceive that I have requested the Taotai to communicate to me any evidence the Authorities may be in possession of, showing that the Treaty has been violated, other than the fact, that Mr. Emery failed to remove his sign board. By the terms of the Treaty alluded to, both the contracting parties 2/-

parties agreed to enforce its provisions by appropriate legislation. I will thank you to inform me, whether a law has been enacted by Congress on the subject.

I have &c.

(Signed) E. J. Smithers.

Consul.

Two Enclosures.

Copy.

Mr. Smithers to Intendant of Circuit

Chinkiang, 28th February, 1883.

Sir,

I have the honour to acknowledge the receipt of your despatch of the 2nd instant, in which, after reciting the contents of previous despatches relating to the same subject, you inform me, that it has been reported to you, that the No. Chi Hong had a sign board hanging out with the words that it is an American Hong and sells Opium.

Upon the reception of your despatch I informed Mr. O. A. Emery the owner of the No Chi Hong, of its contents, and requesting him, to report in writing to this Consulate, whether or not, as charged, he was engaged in the Opium traffic. In his reply, Mr. Emery states, that he has not, been concerned in the Opium Trade, directly or indirectly

since

since the year 1873, and that this fact is well known to the local Authorities. He admits that one of his sit sign boards at the said Ho Chi Hong does state - "Opium for Sale", and that the only reason this had not been removed was, the fear that his constituents in the Rice goods business would think that he had severed his connection with the Ho Chi Hong. He further states, that the returns of Imports and Exports at the Customs, will fully substantiate the correctness of his statement with reference to his dealing in Opium.

In view of Mr Emery's denial of his having dealt in Opium since the promulgation of the late Treaty between China and the United States, I will thank you to communicate to me any evidence which the authorities may possess, showing that Mr Emery has broken the said Treaty - other than the fact

fact that he failed to remove his sign board. His having kept up his sign board after all the American merchants at this port has been notified that it was illegal for them to trade in Opium, is altogether indefensible, and I have so informed him. He has expressed to me his regrets for the occurrence, and promised that hereafter the sign board shall not be exhibited.

This despatch would have been forwarded earlier but for the occurrence of the New Years fetes and your continued absence from the Port

I have &c.—

(Signed) E. J. Smithers.

Consul.

Despatch No. 161.
Enclosure 2.

No. 14.

Mr. Young to Mr. Smithers.

March, 13th, 1883.

Sir,

I have had the honour to receive your despatch number 27.

Your further correspondence with the Chinese authorities in the complaint against Mr. D. A. Emery that he was engaged in the Opium traffic is approved and commended. The fact that Mr. Emery failed to remove a sign whereon he advertised the sale of Opium was, as you say "altogether indefensible." and of itself sufficient to warrant a suspicion that he was still engaged in the business, and hence guilty of a violation of the Treaty.

In response to your Enquiry whether a law has been enacted by Congress to enforce our Treaty

Obligations

obligations in regard to Opium, I have to say that the attention of the Secretary of State has been called to the subject and that the matter was laid before the proper Congressional Committees in January last.

I am Sir. —

(Signed) John Russell Young.

rcvd May 24 1883 Ackr

Ack: Hill
dwlving

Confidential.

No. 162. One Enclosure.



Legation of the United States.
Peking, March 20th, 1883.

John Russell Young
to
the Secretary of State.

Subject.

Customs establishment in Corea.

Synopsis.

Rumor that a German, member of the staff of H. E. Li Hungchang has been appointed to organize the Corean Customs. Trust the rumor is not well founded as the person named lacks suitable qualifications.



N°. 162. One Enclosure.

Confidential.

Legation of the United States.
Peking, 20th March, 1883.

To the,
Honourable Fred'k. T. Frelinghuysen
Secretary of Legation

Sir,

The efforts of the Chinese rulers, and especially the Grand Secretary and Viceroy Li Hung Chang, to obtain practical control of Corea, gave importance to an announcement that Mr. Von Mollendorff, a german gentleman in the Viceroy's service had

visited

visited Corea, accompanied with other foreigners who have interests in China. I requested Mr. Cheshire in Shanghai to ascertain if possible the nature of Mr. von Mollendorff's position in Corea, as I was anxious to know if in any way it would affect American interests in that country, under our new convention.

1/162. I enclose a report from Mr. Cheshire, from which it appears that Mr. von Mollendorff has been appointed Inspector General of Customs in Corea, and that in addition to this other trusts devolve upon him. I asked Sir Robert Hart the Inspector General of Chinese Customs as to the truth of the statement which Mr. Cheshire reports. He said he had not heard of it.

There

There was a story in circulation some time since, and generally credited to the effect that Sir Robert Hart himself was ready to extend his Customs' service over Corea, but the purpose was abandoned in consequence of the objections of the Viceroy Li.

I should look with regret upon Corea becoming a part of the Chinese Customs system. Although that is a most admirable service, and directed with an ability which justifies Sir Robert Hart's world wide reputation, it would only strengthen the feelings of uneasiness and suspicion in some minds as to the candour of China, in recognizing the King of Corea as an independent prince. The same objection would

hold

hold to the appointment of Mr Von Mollendorff or any other member of the Vice Regal staff, to a position at the capital of Corea which would be akin to that of British residents at the courts of Indian princes. I have no personal acquaintance with Mr Von-Mollendorff, but his reputation in China is not that of a gentleman gifted with high diplomatic or administrative qualities.

I have the honour to be,

Sir,

Your obedient Servant.

Mr. Russell Young.

Enclosure.

1. Mr Cheshire to Mr Young.

No. 156. March 7th, 1883.

Despatch No. 162.
Enclosure.

No. 156.

Mr. Cheshire to Mr. Young.

Shai March. 7th, 1883.

Sir,

In answer to your despatch No. 45. I have the honour to submit the following particulars which I have obtained in regard to Messrs. Von Möllendorff and Yang Kong Sing's visit to Corea.

As you are doubtless aware Mr. Von Möllendorff at the instance of His Excellency Li Hung Chang received the appointment of Inspector General of Corean Customs. His visit to Corea I learn was for the purpose of making arrangements in connection with the opening of the Corean Customs-Service. While in that Country he was appointed a member of the Foreign Board.

His visit to Shanghai I understand was to negotiate a loan

in

in behalf of the Corean Government for about Taels 500,000 which he has failed to accomplish.

The China Merchants Steam Navigation Company it is reported are prepared to advance this amount to the Corean Government but not without collateral, and it is not unlikely that any definite arrangement can be made until the matter has been laid before H. E. the Viceroy Li.

Mr. Longking Sing's visit to Corea was principally in the interest of mining; he was accompanied as you may be aware by Mr. Burnett of the Kai Ping Mines who visited the interior of that country on a prospecting tour.

As to what arrangements have been concluded between Longking-Sing and the Corean Government in regard to Mines and Mining I am unable to ascertain - I am etc.

Signed F. D. Chesterie.

Vice Consul General in charge.

Edkins read with interest may 31. 1883. Cridler

Copy to Swan may 31 1883 Cridler

No. 163.

Three Enclosures.

DEPARTMENT OF STATE
MAY 24 1883
RECEIVED

Legation of the United States.

Peking, March 20th, 1883.

John Russell Young to the Secretary of State.

Subject

Discovery of gunpowder by the Chinese.

Synopsis.

Covers correspondence upon this subject, and a historical sketch by Mr. Edkins.

No. 163. Three Enclosures.

Legation of the United States.
Peking, 20th March, 1883.

To the,
Honourable Fred.k T. Frelinghuysen.
Secretary of State.

Sir,

Captain J. B. Campbell of the United States Army. 4th Artillery - last October addressed a letter to the Legation asking for information as to the early history of gunpowder in China. I submitted his enquiries to Reverend Doctor Martin, the President of the Peking College, and Reverend - Doctor

Doctor Edkins of the London Mission, two gentlemen who stand in the front rank of scholarship in Chinese history and literature. Doctor Martin gave me in answer a copy of an article which had been printed some time since, and which I sent to Captain Campbell. Dr. Edkins wrote a full answer to the questions in a paper which has also been forwarded.

As the result of Doctor — Edkins' inquiries may have some — historical value, I enclose a copy — for the information of the Department.

I have expressed to Doctor Martin and Doctor Edkins, my sense of obligation for their courtesy, in — answering the questions of Captain Campbell

Campbell.

I have the honour to be,

Sir,

Your obedient Servant.

Thos Russell Young

Enclosures.

Captain Campbell to Mr Young.

October 23rd, 1882.

Doctor Edkins to Mr Young.

March, 16th, 1883.

Mr Young to Captain Campbell.

March. 19th, 1883.

Despatch No. 163.
Enclosure 1.

Mr. Campbell to Mr. Young.

U. S. Artillery School. —
Fort Monroe, Va. Oct. 23rd 1882.

Sir,

I write for the purpose of asking you, if you feel that your official position will allow it, and if you have no other objections to do so, whether you will be so kind as to endeavour to find out from reliable sources of information among the educated Chinese, what their records will authoritatively shew on the following points.

1st How long ago they discovered the deflagrating property of saltpetre or nitrate of potass.

2.- How long ago they discovered that its combination with — Charcoal and sulphur made it explosive; or in other words how long has gunpowder as a

a substance of utility been known to them.

3. Whether it was not first used for fireworks, or ornamental or purposes, of a festive character when it was first so used.

4. Whether its first use in a military way was not by means of rockets, or whether it was attached to arrows or barbes to propel or assist their propulsion through the air.

5. When they first ceased to use it as powder, and substituted the granulated form.

6. The date they first used it in guns or cannon as a propelling force.

7. Whether the use of it was original with them, or whether they claimed it from other nations; and if so when.

This is quite a formidable array of questions, but I am led to transgress upon your time and patience because I did not

not think this information exists outside of China or their language. I am at present detailed at this place as instructor of ordinance and gunnery, and have been requested to get up a new course of studies; diligent search for the early uses of powder, for the purpose of summarizing it into a kind of historical preface, has led me to believe that such information exists in China. Some decades ago the Chinese were credited with very early knowledge of, and also use of gunpowder; this was derived from very early travellers in China and Jesuit missionaries; but all authors of late years dispute the accuracy of the statements. In fact as you know it is now fashionable or rather popular to decry everything Chinese. I am anxious to make an authoritative statement, and any information you may be able to pick up or get them to impart will

be

be most gratefully received.—

(Signed) J. B. Campbell.
Captain 4th Artillery.

Despatch No. 163.
Inclosure 2.

History of Gunpowder.

'How long ago did the Chinese discover the deflagrating properties of Saltpetre and the fact that it is explosive when combined with Sulphur and charcoal?

Ans. Nothing in this work on alchemy written about A.D. 320 gives a recipe for making gold which consists of one pound each of bole, saltpetre, talc, peroxyde of iron and half a pound of sulphur. These with other substances were placed in a large iron cylinder of 14 inches height and the same in diameter. This mixture remained over a fire for three days and nights till a purple powder was produced and then Gold. Alchemists worked with these chemicals and others such as cinnabar, realgar, alum, lead ore, sulphate of copper, etc. for several centuries from about the Christian era downwards. Fireworks made with powder are

first

first distinctly mentioned early in the seventh century, when the court was amused by them under the name of Huo yao tsa hi, — "gunpowder amusements of various kinds". During the same period the custom of throwing strips of bamboo into the fire to cause a detonating sound had grown up for the purpose of driving away evil spirits. As soon as the detonating powers of powder were discovered it took the place of bamboo as an expeller of demons. The Chinese discovered the deflagrating property and the power to explode with a loud report.

When did the Chinese first use ornamental fireworks.— 2

Ans. As above stated early in the 7th century. Since the Arabs traded with Canton from the time of Mahomet and Alchemy flourished at Bagdad during the Eighth century and onward

any

any thing of a chemical nature so striking as fire works would be certainly conveyed from China to Bagdad by the Arabs in their ships.- Trading colonies of Arabs resided then in Chinese ports. They would speak Chinese and convey a knowledge of Chinese Chemistry to the court of the caliphs. Gunpowder then would find its way from China where it had been the means of affording amusement to a court to Bagdad and gradually in the hands of Arabian Chemists - become the chief constituent and main source of efficiency in modern Artillery.

-

Was the first military use of gunpowder in the form of Rockets and arrows propelled by Chemical force through the air?

Ans. The Chinese began very early to make what they call fire arrows and other implements to set fire to

the

the crews's tents, houses, boats, etc. -.
In the year A.D. 998 it began to be a
common thing to present to the Emperor
models of fire arrows, fire balls and
fire spikes. Some kind of explosive
or at least incendiary materials
accompanied all these. But what it
was we do not know. Fire balls seem
to imply the action of gunpowder.
The spikes were for piercing the feet of
men or horses outside a fortification
and were and still are placed there
in time of war as a defensive precaution.
Probably some explosive matter was attached
to them. Powder would be used in some
of these cases but the information is indistinct

A later epoch in Chinese history
in the sixteenth century presents us with
wood cuts illustrative of ancient armour.
The fire arrow has attached to it bamboo
powder tubes near the barbs to ignite on
striking an object. Such tubes were
of paper or bamboo. Fire arrows
are also drawn as ejected from the
barrel.

barrel of a hand gun. In the early Chinese accounts it is not said that the fire arrow was shot from a bow and as explosive matter was almost certainly packed in tubes near the barb, it seems reasonable that the arrow itself should be ejected from a tube by explosive force. But this is not ascertained beyond doubt. In the accounts of arrows shot from large powerful bows, the arrow heads are filled with round balls. (Ans.) These are the precursors of our cannon balls. Iron arrows were also shot from these bows.

When did the Chinese change their fire powder into granular?

Ans. Their early powder was large in grain and not well mixed. The proportions of the chemicals were not good. Hence the slowness of improvement in the use of gunpowder.

When did the Chinese first use gunpowder as a propelling force?

Ans.

Ans. The Ming history tells us (in the military section) that the ancient machines for throwing stones by sling, were called p'au, and that it was the Mongol dynasty which first used the western cannon also known as p'au. The history adds that the occasion was at the siege of Tsai-chow. This city was besieged by the Mongols in 1234, which was therefore the exact date according to this clear testimony of the first application in China of gunpowder for throwing heavy weights in offensive warfare. The tube may not have been long but it was a change from the ponderous sling with its pivot and supporting trestles and its numerous staff of armed attendants for the simple application of fire to a powder charge under the direction of a very small staff. The method was new and its date deserves to be known. The historian further says that this western weapon of warfare

fell

fell into disuse but was recovered during the conquest of Cochin China - early in the 15th century, when the - method of using heavy and hand guns was learned never to be again abandoned. One implement in the Sung history under the year 1259 is a fire ejecting - hand gun (tsiang). The tube was made of large thick bamboo. A charge was placed in this which when fire was applied issued with a loud - report, which could be heard for more than 150 paces. The charge seems to have been a hollow ball enclosing something else and was probably - intended to burst on striking an - object.

Was the use of gunpowder original with the Chinese or was it derived from other nations? When was it so derived? -

Ans. Gunpowder as explained above appears to have been of Chinese origin.

Ans

Its application to artillery must be supposed to have been made first by the Arabs. In A.D. 1200 balls were propelled by gunpowder in India. In A.D. 1280 the Moors used Artillery and gunpowder against Cordova. At an earlier period A.D. 1118 the Moors had Artillery at Saragossa. In 1157 darts and stones were thrown by fire in the Moorish wars. Doubtless the use of artillery in India means its use by the Mahommedan rulers of that country. The Chinese testimonies to a Mahommedan origin for the use of gunpowder in propelling are the following. The passage of the Ming history above cited in speaking of Si yü Pau "Western Cannon" in fact uses a term which usually means Mahommedan in the Speech of that time. In the Sung history under the year 1259 a certain kind of gun is called Hwei hwei p'au "Mahommedan Cannon." Further it should be consid-

-ered

vied that Cochin china could obtain cannon to become the prey of a chinese army of invasion, only from Arab-traders at some one of her ports.—

China does not appear to have used Gunpowder in her wars in the 12th. century. Her famous General Yoh fei knew nothing of it. The mongols in their early wars under Genghis became acquainted with Mahommedan Artillery and thus it came to China. The historian of the Ming period evidently regards cannon and the firing of cannon by gunpowder as of Mahommedan origin.

These answers have been prepared after careful reading of Mr. Mayers admirable paper on Gunpowder published 12 years ago. The differences are the following - Gunpowder first known to the Chinese - Gunpowder was used in Artillery with propulsive effect in China A.D. 1234.- The military use

of

of gunpowder was a Mahommedan invention of the 12th. century. It was introduced to China by the armies of Genghis Khan. The discovery of the composition of gunpowder is probably due to the Chinese Alchymists when trying the powers of various mineral substances under the action of fire in order to make gold.

(Signed) Joseph Edkins.

Peking, March, 16th., 1883.

Despatch No. 163.
Enclosure 3.

Mr. Young to Captain Campbell.

Peking, March 19th, 1883.

Sir,

As a further reference to the enquiries addressed by you to the Legation in reference to the history of gunpowder - I have the honour to enclose a paper written by the Rev.d Dr. Edkins. This reverend and learned gentleman, who is conspicuous for his talents and accomplishments as a Chinese Scholar has been good enough to study with care the whole question. I trust it may be of value to you in pursuing your scientific researches.

I am &c. —

(Signed) John Russell Young.

Extract sent in despatch No. 164 of March 20, 1883. Rec'd June 19, 1883. Cyphered.

Extract sent in despatch No. 164 of March 20, 1883. Rec'd June 5, 1883. Cyphered.

answering

No. 164. One Enclosure.

Legation of the United States.

Peking, March 20th, 1883.

DEPARTMENT OF STATE
MAY 24 1883
RECEIVED

John Russell Young to the Secretary of State.

Subject.

Lease of Legation premises at Peking.

Synopsis.

As the lease will expire in June next, Mr. Young has executed a new one of which copy in triplicate is enclosed. Requests that be endorsed by the Secretary of State and Mr. S. W. Williams, and one copy returned.

No. 164. One Enclosure.

Legation of the United States.
Peking. 20th March, 1883.

To the,
Honourable Fredk. T. Frelinghuysen
Secretary of State.

Sir,

As the lease for the premises occupied by this Legation will expire upon the 30th of June next I have taken the necessary preliminary steps for its renewal subject to the approval of the Department for another period of four years from that date. I have the honour to

submit

1/1864. Submit herewith a triplicate lease which has been executed with the owners Attorney in this city. You will notice that the same form is followed as found in the current lease, and in accord with the instructions of Mr. Evarts, number 298 to Mr. Holcombe, and number 318 to Mr. Seward.

I need say nothing as to the desirability of continuing to occupy the premises referred to - beyond the mere statement that the rental is reasonable, and that, were the Legation to lose possession of this property it would be literally turned into the street, as there are no other

available

available quarters in this city.

I beg to suggest that, in - case you are able to approve the - lease as given herein, after — endorsing your approval thereupon, the three copies be sent to Dr S. - Wells Williams, No. 39. College Street, New Haven, Conn. for his approval, and that one copy be left with him, one retained by the Department, - and the third be forwarded to this Legation.

I have the honour to be,

Sir,

Your obedient servant.

Jno Russell Young

Enclosure.

Triplicate lease of Legation premises.

Whereas the Government of the United States, by an act of Congress approved March, 3rd, 1875. (Chapter 130 and 131, United States Statutes at Large, 1874-75), authorized the Secretary of State to rent, keep, and furnish suitable buildings, with grounds appurtenant, at Peking, for the use of the Legation in China; which said Act is in the following words, to wit;

That the Secretary of State be, and he is hereby, authorized to rent, furnish, and keep suitable buildings, with grounds appurtenant, at Peking, for the use of the Legation in China, at an annual cost not exceeding five thousand dollars; that the period of such lease shall be for two or more years,

years, and with renewals, as the Secretary of State shall determine; and that the sum of five thousand dollars is hereby appropriated, out of any money in the Treasury not otherwise appropriated therefor.

And whereas the Secretary of State for the time being, to wit the Honourable Hamilton Fish — in pursuance of the said Act, — did, on the 21st day of October, A.D. 1876, execute a lease for certain — buildings and grounds therein — described with Dr. S. Wells Williams, the owner thereof:

And whereas, the Secretary of State for the time being, to wit the Honourable William M. Evarts in pursuance of the said Act did authorize and direct George F. — Seward, Esquire, Minister at Peking to make a new lease of the said — buildings and grounds for a further period of four years:-

Now

Now therefore this instrument made and executed by and between S. Wells Williams, Esquire, L.L.D. party of the first part; and the United States by Honourable F. T. Frelinghuysen, Secretary of State, party of the second part, witnesseth;

1st. That the said S. Wells Williams, party of the first part, has hereby let and rented to the party of the second part, for the use of the Legation of the United States at Peking, the grounds and buildings now occupied by the said Legation, and more particularly described and delineated in a despatch addressed by the late Benjamin P. Avery, Esquire, when Minister of the United States at Peking, to the Secretary of State, dated at Peking, August, 10th, 1875, and numbered, 86; and the party of the second part has hereby leased and taken from the party of the first part the said

grounds

grounds and buildings, upon the terms and conditions hereinafter named as follows;

2nd That this lease shall begin this 1st day of July, A.D. 1883, and shall run for four years ending on the 30th day of June, 1887.

3rd That the sum to be paid to the party of the first part as rental of the said property shall be Three Thousand Mexican Dollars a year, payable quarterly at the expiration of each and every quarter at Peking, and that any loss or gain by exchange shall be made a matter of account, and settled in such manner as the party of the second part shall direct.

4th That the party of the second part may make, at his own expense, any and all such repairs and alterations in and about the said buildings and grounds

grounds, and may erect such new buildings, as in the judgment of the party of the second part may appear desirable, provided that the value of the premises shall not be unfavourably affected thereby.

5th ___ That the party of the second part shall have the option and privilege of renewing this lease upon the terms and conditions herein expressed, for a further term of four years.

6th ___ That in case the buildings herein before referred to and described, or any of them shall become untenantable, or unfit for the purposes for which they are rented, by reason of fire, or any other cause than natural decay, the rent thereof, or a proportionate part as may be just, shall cease until such building or buildings shall have been reconstructed or repaired by the party of the first part to the satisfaction of the parties of the second part, acting

through

through its representative at Peking.

7th That the party of the first part will make such current repairs and renovations to the buildings, walls, walks, and drains as may be required by the party of the second part, acting through its representative at Peking, to the extent of six hundred dollars, in any one year during the period of this lease.

8th That when the party of the first part is referred to in this instrument, it shall always be understood and held to mean, to include, and bind the said party as hereinbefore named, his executors, administrators, and assigns.

Done and executed in triplicate, at Peking, the 19th day of March A. D. 1883.

S. Wells Williams

by his Agent and Attorney in fact

Chester Holcombe

For the Secretary of State.

Witnesses to Signature

Leo Bughoz.

C. F. Kloots

S. Wells Williams

United States Minister.

New Haven, Conn.
June 11. 1883

I hereby confirm all that my Attorney, Chester Holcombe, has done in the premises as herein stated.

Witness my hand.

S. Wells Williams

F. Wells Williams — } Witnesses to
A. Graham — } Signature

This lease approved.

Rd. T. Fulinghuysen
Secretary of State

Ad to file

enclosing

No. 165. Two Enclosures.

Legation of the United States.

Peking, March 21st, 1883.

DEPARTMENT OF STATE
MAY 24 1883
RECEIVED

John Russell Young to
the Secretary of State.

Subject.

Interference with foreign interests at Shanghai.

Synopsis.

Refers to dispatch number 120., and covers report from Shanghai of correspondence between the Consular Body and the Viceroy at Nanking.

No. 165. Two Enclosures.

Legation of the United States.
Peking, March. 21st, 1883.

To the.
Honourable Fred.k T. Frelinghuysen
Secretary of State.

Sir,

As a further reference to my despatch No. 120. in which I gave the Department the latest information regarding our negotiations with the Chinese Government as to the right of foreigners under the Treaty to manufacture at the open ports. I enclose a letter from the Vice Consul General.

General. Mr. Cheshire informs the
1/165. Legation that the Consular body at
Shanghai have adopted a resolution
not to discuss this question with the
Viceroy at Nanking.

I have approved Mr. Cheshire's
course in uniting with his colleagues
in this determination, and regret it
was not taken last autumn when Mr.
Belmore's case first came into notice.
My reasons for this opinion have been
written so fully in various despatches
that I will not repeat them.

Mr. Cheshire encloses a letter
2/165 from the Viceroy Teo. which will be
read with interest. Any expression
of opinion by a man as eminent and
of as high rank in China as the
Viceroy

Viceroy is worthy of careful and respectful attention. You will note that His Excellency holds with tenacity to the idea that under the Treaty foreigners have no rights to manufacture. He again appeals to our sympathy with the plaintive argument that the result of the introduction of foreign machinery will be to throw millions of his people out of employment who now earn their living by weaving cloth in the primitive Chinese methods, - methods which could never compete with the improved engines and forces of Western science.

The discussion is now in such a position that I see no means of advancing it to a practical solution.

I

I have no idea that the Chinese will concede the point which the diplomatic body have united in demanding. And after the success of their demonstration against Mr. Wilmore, no foreigner, and no Chinese capitalist however anxious to entrust his capital to foreigners will venture upon any new manufacturing enterprise. That point gained embracing as it does, all that the Cabinet claims the Chinese will naturally not care further to disturb the matter. But it is for the foreign governments to say, whether they are content with such a termination of the controversy.

I

I have the honour to be,

Sir,

Your obedient Servant

Dr. Russell Young

Enclosures.

1. Mr. Cheshire to Mr. Young.
No. 158 12th March, 1883.
2. Vice roy Fo to Doctor Focke.
12th February, 1883.

Despatch No. 165.
Enclosure 1.

No. 158.

Mr. Cheshire to Mr. Young.

Shai, 12th March, 1883.

Sir,

In my despatch No. 138 I informed you that in reply to a communication addressed by Leo Viceroy at Nanking to the Consular Body in regard to interdicting foreign enterprises - Dr. Focke the Doyen informed His Excellency that the Consular Body declined to accede to his request, and that the question was being discussed by the Diplomatic Body at Peking. Dr. Focke received another despatch from the Viceroy some time since, a copy of which I enclose.

It was decided by the Consular Body to hold no further communication with the Viceroy in this matter.

I am &c.

Signed F. D. Cheshire
Vice Consul General in charge.

Enclosure.

No. 1. Leo to Dr. Focke Consul General for Germany.

Despatch No. 165.
Enclosure 2.

H.E. Tso to D. Focke. -

Nankiny, 12th February, 1883.

Sir,

I have the honour to acknowledge receipt of your despatch which I received on the 2nd February, referring to the establishment of cotton yarn and other manufactories by the foreign merchants of Shanghai, an enterprise which I had asked you and the other Consuls to forbid.

I now learn from your despatch that the Foreign Consuls cannot forbid their nationals the start of any such manufactories and that the matter referred to is already treated about between the foreign Ministers in Pekiny and the Tsungli Yamen.

I am of opinion that weaviny by machinery is not

sanctioned

sanctioned by any treaty and — moreover in the Tsungli Yamens' answer to N. C. Russell Young — U.S. Minister in Peking it is clearly stated that weaving by machinery must injure the Chinese, because an enormous number of people in the provinces of Kiangsu and the Kiang gain their living by — weaving cloth.

If one day their trade will be stopped then some accident may happen not suitable to the foreign merchants of Shanghai, and it will be extremely difficult for the Tsungli Yamen to support all those peoples that have lost their means of living.

As you are already a long time living in Shanghai and as you therefore know the disposition of the people and the customs of the place, therefore I hope that you will communicate with the —

Treaty

Treaty Consuls and put a stop to the proceedings of the foreign merchants in order to agree with the Treaties and to maintain the friendly relations that have existed up to date.

Have &c. -

(Signed) Iso

Governor General.

True Translation

(Sd.) K. I. Streich. -

No. 56.

Mr. Young to Mr. Cheshire.

March 19th, 1883.

Sir,

I have the honour to acknowledge your despatch no. 158 dated March 12th, 1883. In this you inform the Legation of the action of the Consular Body, in declining to discuss the question of foreign manufactures with H.E. the Viceroy - and that you have concurred in the same.

I have to express my approval of your course. The question now, is in such a condition that any action on the part of the Consuls - which however wise or well meant would be in ignorance of what has taken place in Peking - may lead to embarrassments.

I am &c.—

(Signed) J. Russell Young.—

Received Washington June 9 1883 Exd.

No. 166. One Enclosure.

Legation of the United States.

Peking, March 21st, 1883.

DEPARTMENT OF STATE JUN 7 1883 RECEIVED

John Russell Young to the Secretary of State.

Subject.

Position of the United States towards China and Korea.

Synopsis.

Refers to Department instruction number 81., and discusses this question. Legation rightly appreciates the position of our Government in the premises.

No. 166. One Enclosure.

Legation of the United States.

Peking, March 21st, 1883.

Honorable F. T. Frelinghuysen

Secretary of State.

Sir:

I have the honor to acknowledge your despatch number 81. in which you give the views of the Department as to the position of the United States towards China and Corea. Your instructions upon this important and interesting question have been attentively noted.

The Legation has never had any doubt as to the meaning

meaning of our treaty with Korea, so far as it was a recognition of the independence of that country. Nor do I think there is a question in the mind of any member of the Diplomatic Body. The Minister of the French Republic, Mr. Bourée, is said to hold the ground that, Korea being a part of the Imperial system of China, a Convention, to be valid, should be made with the Yamên. I do not know how true this may be, as Mr. Bourée is absent from Peking and I have not had the honor of seeing him since navigation closed. If France

should

should take such a position
it would add an interesting
and perplexing feature to "
Asiatic politics. Should the
rumor prove to be correct,
my judgment would be that
the failure of the French to
secure from the Koreans
such a treaty as they desired,
in the special matter of "
protection to the missionary
priests of the church of Rome,
had disposed the French "
Legation to welcome the "
discussion of any doubt as to
the integrity of the Korean "
sovereign's claim to independence.

The Power which
seems concerned on the subject

is

is Japan. The Japanese Government, which was opposed to our treaty at the time it was signed, is now in favor of it. Japan sees that it does not necessarily invade any of her just rights in Korea as a neighbor and a close commercial ally. The Japanese Minister was the first to inform the Legation that the Convention had been ratified by the Senate, and to extend his congratulations. The Japanese view the treaty as a security for the independence of Korea against China. The Chinese see in it

it a pledge that Korea will not "fall a prey to the "rapacity" of Russia and Japan.

The only objection the Japanese, so far as I can gather from the conversations of Admiral Enomotto, now advance against the treaty is to be found in the terms of the letter of the King of Korea to the President. This letter is in your archives, having been sent in Mr. Holcombe's despatch number 133., but to make my statement clear I add it as an enclosure. 1/66.

In this letter the King says "Chosen has been from ancient

"ancient times a "
"tributary to Lehina."
Here is an express admission
of subordinate relation, and
it is reiterated in another
sentence:- "As regards the
"various duties which
"devolve upon Lehosen
"as a tributary state to
"Lehina, with these the
"United States has nothing
"to do."
His Majesty not only admits
his fealty to the Emperor of
Lehina, but recognizes "various
"duties" incumbent upon him
as a faithful liege.
While nothing could
be clearer than this concession
the

the Legation has never laid much stress upon it being disposed to believe that in all the essential points of government, in laws, customs, and religion, Korea was as independent as Japan. All that remained was a " sentimental, ceremonial " suzerainty, never going beyond gifts and compliments, " embassies of courtesy now and then, with no practical " interference by China in Korean affairs. These relations preserved peace with China, a powerful and overmastering neighbor, and gratified the legend that the Emperor holds

from

from Heaven" his "
"commission to rule the "
"world." The Legation has
always felt that with these
Oriental relations of stately
intercourse which have been
seen in the East long before
the Queen of Sheba came
with presents and homage
to Solomon, we had no
concern. The true questions
were these:— "could the
"King carry out his
"convention." Was he a
"sovereign so far as the
"engagements of this "
"treaty were concerned."
"could we open up Corea
"to trade and the opportunities
of

"of our civilization".

These questions answered in the affirmative, the treaty was valid. In this spirit I have always advised the Japanese Minister. Nor do I think it an unreasonable presumption to infer that the counsels of the Legation, in the sense here expressed, have contributed to change the attitude of Japan from hostility towards the treaty to her present cordial acceptance.

At the same time the Department will not fail to note that some of the high Chinese officials, notably the

Grand

Grand Secretary Li Hung Chang, are unwilling to permit the relations between China and Corea to rest upon a mere basis of ceremony. The policy of the Viceroy Li has been, ever since the signing of the treaty, one of direct interference with the affairs of Corea. He said with a smile to a member of the Diplomatic Body one day last autumn, while discussing Corean affairs:- "I am the King of "Corea." What he meant was that the relations between China and Corea had been committed to his care by the Cabinet, and that he proposed

to

to take almost the interest of a protectorate in Korean affairs.

The Viceroy has steadily labored to carry out this purpose. He sent an army into Korea last summer to suppress an outbreak. He took the King's father prisoner, and now holds him in custody. A foreign official in his employ has been assigned to the Korean King as advisor, or resident, or in some such capacity. The King has been compelled to practically subsidize a Chinese steamship, belonging to a company under the Viceroy's special patronage, in the

ownership

ownership of which no foreigner is permitted to share. He has signed a convention with Corea, discussed at length in my despatch number 85., in which he treats the King as his own peer, on the same level as a provincial Chinese Viceroy, and with no sovereign rank. He demands from Corea special and favorable trade rights for China, from which all the other nations were excluded.

There has been little disposition on the part of the foreign Representatives here to do anything more than observe the interesting phases of this

policy

policy of Li. The fact that the treaties had not been ratified prevented England, Germany, and the United States from taking any action in reference to Li's pretensions, even if so disposed. The Japanese, as I have said, have alone been solicitous, and, I believe, would have made a protest some time since but for the hope that, when the treaties were ratified, they would be sustained in their protest by the signatory Powers.

Now that the United States has accepted the convention it may be proper

to

to take into consideration this
question and have a "
satisfactory understanding with
China. The Department
may, however, feel that it
would be better to ignore
China altogether and have
such an understanding with
the King himself, and "
through any diplomatic
Agent who may be sent to
the Korean capital.

I can readily see
how such a policy would
commend itself to your "
judgment. Having accepted
the fact of Korean "s
independence we can best
show our appreciation of it
by

by confining our discussion of Korean subjects to the King and his Ministers.

I have the honor to be,

Sir,

Your obedient servant.

Enclosure.

1. King of Corea to the President.

May 15th, 1882.



Despatch No. 166.

Enclosure.

His Majesty the King of Corea herewith makes a communication

Corea has been ever a tributary to China but hitherto full sovereignty has been exercised by the King of Corea in all matters of internal administration and foreign relations. Corea and the United States in establishing now by mutual consent a treaty are dealing with each other upon a basis of equality. The King of Corea distinctly pledges his own sovereign powers

powers for the complete
enforcement in good
faith of all the
stipulations of the treaty
in accordance with
international law.

As regards
the various duties which
devolve upon Corea
as a tributary State to
China, with whom the
United States has no
concern whatever,

Having
appointed Envoys to
negotiate a treaty it
appears to be my duty
in addition thereto to
make this preliminary
declaration.

To the President of the
United States.

May 15th 1882.

No 167 Diplomatic Despatches

Legation of the United States

Peking April 10th 1883.

DEPARTMENT OF STATE
MAY
24
1883
RECEIVED

John Russell Young

to the Secretary of State

Subject.

Ward and Forsyth claims

Synopsis

Encloses the report in detail of Mr. Secretary Holcombe's negotiations with H. E. Li at Tientsin. Also further correspondence between Mr. Young and Prince Kung and H. E. Li, in which Mr. Young declines to consider the question of the Canton Indemnity Fund, and repeats

repeats ?

repeats?

respects the demand of the Department for the Keefer claims at ten per cent.

Mr. Young reports the payment of the Ward claims $56.246 56/100 which he has deposited in the Hong Kong and Shanghai Bank for six months from February 22nd 1883, bearing interest at four per cent, and asks the orders of the Department as to its distribution.

Mr. Young asks the Department to approve the action of the Legation.

No 167 Seven Enclosures

Legation of the United States

Peking April 10th 1883.

To the

Honorable Judd F. Fuhrighuysen

Secretary of State.

Sir:

In my despatch No 62 I informed the Department that I had after some correspondence with Prince Kung, arranged, that what are known as the "Ward" and "Keefer" claims, and the Payment of which by China has been demanded by the Government for eighteen years, should be referred to the Grand Secretary Li Hung Chang for settlement.

On the 9th of January, in pursuance of this understanding I sent Mr. Holcombe the Secretary of Legation to Tientsin to confer with the Grand Secretary. My Principal

reasons

reason for doing this, and not going in person was that Mr. Holcombe had under the orders of my predecessor Mr. Denard, made a similar round to Nanking in 1877. and was therefor familiar with the discussions, which had taken Place between the Legation, and the Chinese Government, as to the validity of the claims.

In my despatch N° 102. I gave you copies of my confidential instructions to Mr. Holcombe as to the line of action which in the opinion of the Legation, it was wise for him to Pursue, in dealing with the Grand Secretary. I also sent you a copy of a Personal letter to the Viceroy urging upon him the justice of meeting the demands of the Department.

I have now the honor to lay before you

167

you the report of Mr. Holcombe, giving a narrative of his negotiations at Tientsin. The Department will learn that the Grand Secretary has Paid to the Legation the sum of 40.497 52/100 Taels, or say $56.246.56 cts. This amount has been deposited in the Hong Kong and Shanghai Bank for six months from February 22nd 1883. bearing interest at four Percent. the rate allowed by the bank for fixed deposits. — to await the orders of the Department as to its final distribution. This was done because in the natural course of communication with the Department, six months would elapse before the Legation could have the Proper documents, Power of attorney, and so on, to warrant the Payment. It was thought that the claimants would be served by so Placing their money. that it

it would save the current rate of interest in China.

This Payment is a settlement in full of what are known as the "Ward claims", principal and interest at nine Per cent. In the matter of the "Kreyer claims", as the Department will see, in Mr. Holcombe's report, difficulties arose which in the end, proved insurmountable. There was the amount demanded, so much larger than the sum Paid to the Ward claimants. There was the desire on the Part of the Grand Secretary - which we see in all negotiations with Chinese officials not to make any concession, even the slightest, without some corresponding advantage.

Before praying

so large an amount of money the Grand Secretary was anxious to say to his Government that he had secured certain benefits as a condition of his negotiation. The especial benefit sought by H.E. was the return by the United States of the Canton Indemnity Fund. The impossible nature of this demand did not prevent the Grand Secretary from pressing it again and again, in such a way as to embarrass, and in the end terminate our negotiations.

The Department will note that the Grand Secretary did not decline to pay the Peruvian claim. He asked for some delay. I addressed H.E. a note expressing the the willingness of the Legation to meet his convenience in any way, but saying that it

it would be a satisfaction if I could be able to report how much "delay" he required.

3/67 In his reply H. E. virtually closes the matter, by saying that when the American Government returns to China the Canton Indemnity Fund he will pay principal and interest, the Keyser claim.

I should have replied to this in emphatic terms, but for the fact that H. E. announced that he was about to yield up the seals of office, and go into a period of mourning for his Mother. I accordingly sent him a message of condolence, and addressed

6/67 myself again to Prince Kung, pointing out the unfortunate position into which the negotiations had fallen, and expressing my regret and disappointment.

The

The return of the Canton fund was a matter not within our control. The very utmost the Legation could do was to report the views of the Grand Secretary to the Department. As you will see in my instructions to Mr. Holcombe which formed an enclosure to my despatch No 102. I endeavored to make the situation clear. It would have been more satisfactory, even if Mr. Holcombe had declined peremptorily all conversation on the subject. We were, however, compelled to consider that in negotiating with the Chinese officials, we were dealing with men, the most intelligent of whom are imperfectly informed as to the methods, customs and political ethics of western countries. We had furthermore to meet the fact, that the passage by Congress of the bill, returning

returning the Simonoseki fund to Japan,
had caused a feeling of irritation in
the mind of the Viceroy, whose pride
was wounded because he feared America
was more favorably disposed to Japan
than to China. It therefore seemed wise
for Mr. Holcombe to go so far in the
discussion, as to point out to the
Viceroy the exact Position of the fund.
to show the good will of the President,
by quoting from the last annual message
to Congress, the recommendation that it
be returned to China, and to say that
the Legation would view such an act
with pleasure, and would render any
office in its power to bring it about.
There were many discussions also as to
the rate of interest. In my instructions
to Mr. Holcombe, I said that if this
point

point should arise, and an offer to pay a smaller rate than we had demanded, was made in good faith, I should feel it my duty to submit the fact to the Department for your consideration. The Grand Secretary made several arguments in favor of an abatement of the rate of interest. China he said was only paying eight per cent on her national loan. The bonds were selling at a premium. The credit of China, especially with the guarantee of the customs revenue, was now so high, that he could borrow all the money China required, at even a smaller rate than eight per cent. China paid ten or even twelve per cent at the time these claims originated, because she was then at the close of a long and exhausting war, her finances & embarrassed

embarrassed, and her resources exhausted.
But now she had recovered, and her
improved credit should be taken into
consideration in adjusting these claims.
While my instructions from the Depart-
ment directed me to demand ten per-
cent, I felt that I should have been
wanting in candor, and respect to the
Viceroy not to have submitted these argu-
ments to the Department.

In the matter of
the Yard claims, which were settled at
nine per cent, in obedience to your orders,
I feel, especially as the claimants would
have been satisfied with a smaller rate,
that substantial justice has been done
by China.

Mr. Charles E. Hill the owner
of the "Keyser claim" was in Tientsin
at

at the time, and made verbal earnest protests to the Legation against any action in directing Mr. Holcombe to submit any Proposal from the Viceroy affecting the rate of interest to the Department. He claimed that to accept, or even to discuss any rate lower than ten Per cent, on the Ward claims, would injure his interests, that China would regard such an abatement, if conceded, as a Precedent. He insisted that the Legation was bound to demand the Payment in full, and consider no alternative Proposition. I requested Mr. Hill to make a formal statement of his objections, which I would submit to the Department as a part of the record in his case, and enable you to judge how far the Legation had done

done him wrong.

It would be a matter of deep regret, if in this, or in any other act, arising out of our negotiations, the Legation would deprive Mr. Hill of a dollar of his money. The Department will note, however, that I sent Mr. Holcombe to Switzerland not to deliver an ultimatum, but to discuss, to hear all objections, to patiently consider them, and above all things, to refer any suggestions or plans, made in good faith, looking towards a settlement to the Department.

I was anxious to have the claims paid. For years my predecessors had been striving for a payment, without success, and the existence of the controversy was an embarrassment

embarrassment in our relations with China. I know that the Grand Secretary was anxious to show his good will to the Legation, and wishing to stand well with his Government. - he was desirous to report, that as a faithful official he had gained some advantage for his own country, while satisfying the demands of the United States.

In making a settlement of the Ward claims at nine Per cent. I especially guarded the interests of Mr. Hill, by securing in form a demand for the Payment of the Frazier claims. as directed by Mr. Blaine in his despatch No 101. namely, Principal and interest for 54. 000 Taels at ten per cent. In this Position his case now stands. As to the expediency of asking ten

per cent

per cent. I have not expressed any opinion. That question I look upon as having been decided by the Department.

I beg to call your special attention to No. 3. and to Mr. Holcombe's notes appended thereto.

It only remains for me to ask from the Department its approval of the Legation's course, in carrying out your instructions, and to request your orders as to the distribution of the money which has been received from the Chinese Government

I have the honor to be

Sir:

Your obedient servant.

Jno. Russell Young

Enclosures

No

1. Mr. Holcombe to Mr. Young
March 10th 1883.
2. Mr. Young to H. E. Li.
31/1883. March 10th 1883.
3. H. E. Li to Mr. Young
26/1883. March 16th 1883.
4. Mr. Young to Prince Kung
10/1883. March 12th 1883.
5. H. E. Li to Mr. Young
February 1883.
6. Prince Kung to Mr. Young
March
7. Mr. Young to Prince Kung
March 30th 1883.

Despatch No. 167.
Enclosure 1.

Mr. Holcombe to Mr. Young.

22 Enclosures.

March, 1st, 1883.

Sir,

I have the honour to submit herewith a report of my proceedings at Tientsin whither I went in January last, in response to your instruction dated the 8th of that month, to discuss and, if possible, settle the "Ward" and "Keogier" claims with H. E. Li.

I left Peking upon the 9th of January and reached Tientsin upon the afternoon of the 10th. The next day a note was sent to Li informing him of my arrival and requesting him to name a time when I might call and pay my respects. In response he named 3 P.M. of Saturday, January 13th.

As

As this was a purely formal visit, the business in hand was not mentioned by me. Neither did N. E. refer to it beyond saying that the questions at issue were of a difficult nature, that he saw no way to deal with them, and must depend upon me to suggest some basis of settlement. I responded that, on the contrary the business seemed to me to be very simple and easily managed. I added that I was preparing a memorandum setting forth the salient points in the two cases which would be submitted to N. E. at an early moment and to which I must beg his serious attention.

N. E. di responded that he would not fail to consider fully anything that I might see fit to lay before him, and added that it was of great importance to both Governments that these

vexatious

vexatious claims should be disposed of. He concluded by saying that, after he had considered my memorandum, we would meet and discuss the business, and, if no agreement was reached at the first interview we would meet again, and would continue our meetings until we reached a settlement. To this I assented.

Upon the 15th January I forwarded the memorandum referred to, with a short note. A copy of each is enclosed herewith. In this document, as you will see, I summarized very briefly the facts in the two claims and stated the amount due in each, principal and interest, up to date. 1/-

I heard nothing further from N.E. Di until Friday, January 18th. when a note was received from him

him saying that he would return my call, upon the next day at 3 P.M. i.e. Saturday, January 19th. The call was made as appointed. No reference was made to business beyond a remark of H. E. as he was taking leave to the effect that, as I had sent him a long memorandum, he had prepared a longer one which would be sent in a day or two, and that he would be ready to see me as soon as I had examined it.

I should say just here, that I learned subsequently that the long delay in returning my formal call was produced by the fact that Li had given no attention to the voluminous papers in the Claims which had been sent to him from Pekin by the Foreign office, until my arrival, and that he delayed his call to give him time to look over those papers and to prepare

a

a response to my memorandum. –

His memorandum in response was received by me the same evening. January 19th., and I enclose a – 2/–
translation of it herewith.

In it you will observe that, in the "Ward claims", N. E. first sets out and proves, to his own satisfaction at least, that absolutely nothing is due, either as principal or interest, and then, in the very next sentence offers the principal as claimed by us with interest at 5% per annum. In the "Renjer" claim he argues at greater length that nothing is due, tabulates certain reasons for in reaching this conclusion and makes no offer of payment.

After considerable deliberation as to the best course to be taken with the rejoinder of N. E. I drafted a short note to him 3/–
in which I thanked him for his proposition in regard to the

"Ward

"Ward Claims", but added that it could not be accepted. In the "Keying" case, I pointed out that his arguments similarly meant that Mr. Hill should have no payment for the use of his steamer, which steamer had, beyond a doubt, been used by the Chinese Government, and by N. E. himself, as an officer of that Government. I said in conclusion that, while I should find no difficulty whatever in rebutting all the arguments advanced by N. E. Yet I did not see that an argument of words was likely to facilitate a settlement of our business, which was the object I had in view, and I therefore proposed, before formally replying to his memorandum, to have a personal interview. I proposed to call upon Wednesday, January 23rd.

N. E.

N. E. responded by the
messenger who carried my note, 4/-
saying that he had gone as far
as he possibly could in the
propositions which he had made
to me but that he would be glad
to see me at the time suggested.
The interview took place as
proposed, and I submit a précis 5/-
of the conversation.

In this interview it was
deemed unnecessary to discuss
the points raised by N. E. against
the principal sum demanded by
us in the "Ward" claims, as he had
made a proposition to pay that
amount. I therefore confined my
remarks to the question of the
rate of interest to be paid in the
"Ward Claims" and to the objections
made by N. E. in the "Kerrison" claim.
And these points were discussed
at much length and with great
thoroughness.

Yours

You will note that in this interview N. E. raised the question of the repayment to China of the surplus of the "Canton Indemnity Fund." I had been led to expect this, and took great care to explain to N. E. fully that I could not discuss that question with him; that the Legation had absolutely no control over the fund named, and did not even know the amount of it; and that Congress alone had the disposal, under our system of Government, of the fund in question. I did not allow myself to discuss the question of the repayment of this balance to China, beyond pointing out to N. E. that the mode of settlement, which he asserted he was instructed to insist upon, and under which the amounts due in the "Ward" and "Kenyon" claims should be deducted from the balance in hand in the "Canton

"Canton Indemnity Fund", was, in the first place, quite out of the question, and, in the second place, even were such a mode of solution possible, it would be undignified and discreditable to both Governments.

I may say just here that I was met at every turn in my negotiations at Tientsin with this question of the repayment to China of this surplus of the "Canton Indemnity Fund". Not only did Li declare that he was instructed to raise this question, but I was made painfully aware that the claimant in one of the two cases in hand, and who had access by means of his friends and through circuitous routes to Li, was also discussing this question with N.C., to the extent of making promises of what he would do to secure the repayment of this surplus to China, provided

Li

Li would settle his claim at once. Money claims are of all questions the most difficult to settle with the Chinese Government; and you can readily understand that the difficulties of the situation were increased to a serious extent, and my embarrassments correspondingly multiplied by this indiscreet and ill advised action.

The statement made by Li in this conversation as to the nature of his instructions in the "Ward" and "Kerjeor" claims — that he was directed, first to make the claims an offset to the surplus indemnity, or, — failing this, second, to pay the claims only upon receipt of a guarantee from me that the surplus in question should be returned to China, is — noteworthy, as showing the

usual

(Cipher Desp. No. 7 Stars)

Quit

usual lack of candour and fair dealing on the part of the Foreign Office. You informed Prince Kung that you were prepared to accept a reference of these claims to N.C.D.I " if "H.I.M. is prepared to send such "full and explicit instructions to "N.C.D.I as will effectually secure "a prompt disposition of them, and "prevent any further prolonged and "embarrassing discussion of them "between H.I.M. and this Legation". Prince Kung accepted this condition, and then proceeded to instruct N.C.D.I not to pay these claims unless he could secure either the payment or a guarantee of payment of the Surplus indemnity, although the Prince had been positively informed as long ago as in January 1882., that this Legation could not even discuss the repayment of that fund! (See Mr. Holcombe to

Mr.

Omit

Mr. Blaine No. 51. January, 16th. 1882).

To return to the history of my negotiations: The interview of Wednesday, January, 23rd. ended in nothing definite and I left H.E. with the understanding that I would call again upon Friday, the 25th. I did so. As we went over the same ground as before I do not burden this report with a précis of the conversation. The only result of this interview was a proposition from Li to pay the "Ward" claim with interest at 6% per annum, and to pay in the "Kenyon" claim the principal sum offered me by the Ranking Viceroy in June, 1877. namely: Taels 15,000 with interest also at 6% per annum. I refused this offer at once. H. E. Li urged the proposition strongly and said that he would send me

ive a statement of the amounts thus due the following day. I replied that this would be quite useless as my instructions would not allow me to accept any such compromise. He asked me to telegraph his offer to the Department of State. - This I refused to do, and the interview ended.

The next day, Saturday, January, 26th., the Customs Intendant, accompanied by a Chinese Singapore born British subject who has studied law in England and who is a sort of legal adviser to the Chinese Authorities at Tientsin, called upon me, and said that Li had sent him with a statement of the amounts due in the "Ward" and "Kerjeor" claims, reckoned according to the proposition made the previous day. He urged me at great length to close the business by

by accepting this offer. This I declined positively to do, and — expressed my regret that time should be wasted and labour spent over propositions which were quite inadmissible. He urged me to look over the statement in order to see if they had computed the amounts correctly. This I declined to do. He then said he would leave it with me so that I could think the matter over. I replied that the matter needed no thought, whatever beyond a frank refusal. The Intendant then took his leave. As I did not receive nor even look at his statement I am unable to give you a translation of it.

Upon January 29th I had another short but exceedingly interesting interview with H. E. Li in this business. A report of the conversation is enclosed.

6/-

You

You will see from it that he offered first 7% and eventually 8% in the "Ward" claims, and declared his belief in the justice of Hill's claim but said that, under his ~~in~~ instructions, it was more than his position was worth to pay it, unless I could promise what he knew I could not promise in regard to the surplus of the "Indemnity Fund." He spoke with great frankness and sincerity in the entire interview. You will also see that, acting under the discretion given me in your instruction, I agreed to telegraph this offer to the Department of State and await its decision. I accordingly sent a message the same evening to Mr. Frelinghuysen of which a copy is enclosed.* 71-

Unfortunately the wires between Tientsin and Shanghai broke that afternoon in a severe snow storm, and my message was

* See Mr. Holcombe to Mr. Frelinghuysen, telegram February 3, 1883, ante.

was not despatched from Tientsin until 8 P.M. of Saturday, February 3rd. I did not see N. E. in the meantime although he sent nearly every day to inquire whether any answer had been received to my despatch.

Upon the afternoon of the 3rd of February I had occasion to call upon him in regard to some other business. During this interview he said that he was preparing to address me officially in writing making the offer of payment of the "Ward" claims, principal and interest at 8% per annum, and asking a short delay in the "Kewpoo" claim.

Accordingly upon the 4th of February I received a despatch from N. E. offering payment of the "Ward" claims as specified above, but after six months, interest in the meantime to cease. The amount

amount of interest as stated in the despatch was erroneous, through reckoning the fractional portion of a year as 10½ months instead of 321 days, thus causing a loss to the claimants of six days interest. N. E. asked delay in the "Kowjow" claim, and raised the question of the repayment to China of the surplus of the "Canton Indemnity Fund".

In my conversation with N. E. at the time that I consented to telegraph his proposition to the Secretary of State, nothing was said by him about the payment of the "Ward" claims being made "after six months." Had there been, I should have declined to telegraph his proposition to Washington. At the same time it was quite in accord with my experience in dealing with even the highest Chinese officials to find

find them belittling their negotiations by all sorts of petty and undignified tricks and quibbles, and hence I was not at all surprised to find Di — making an attempt to modify his proposition by this inadmissible — condition, which, I felt certain, he would not insist upon for a moment when he found me disposed to — question it.

Instead therefore of answering his despatch and declining his — proposition under the added — condition, I took it in my pocket, and went to see him the next day — Monday February 5th — He — opened the conversation by asking me at once how I liked his — despatch. I responded that there was a slight error in the — computation of the interest on the "Ward" claims, which would need correction, and that, besides, there were three or four words

in

in the despatch which had — undoubtedly slipped in by mistake, and which must be erased. He — asked what words I meant. I opened the despatch and pointed to the words "after six months". Oh!, he said laughing "you want the money "now, do you." At the same moment taking a pen and erasing the — objectionable phrase from the despatch. "Yes", I responded, now, that is to "say whenever I receive authority "from the Secretary of State to accept "your proposition." "All right" he "said, I have lots of money, I will "send it to you this evening." I "would rather pay it now, as it "is to be paid from Government "appropriations for military purposes, "and we have a small surplus on "hand this year, and I will send "it you this evening, and in this "way I can get it into this year's "accounts." (It lacked then only-

two

two days to the Chinese New Year.)
To this I replied that I could not
consent to receive the money until
I had an answer to my telegram
to the Department authorizing me
to accept his proposition of re-
settlement.

We then went over the
interest computations and N. E.
corrected the errors mentioned
above. This having been done,
I took my leave. I enclose a
8/- translation of N. E.'s. despatch as
corrected.

Much to my surprise I
was waited upon that evening
by an official in charge of the
Sub Treasury at Tientsin who
came, as he said, under orders
from Li to pay to me the amount
due on the Ward claims under
Li's proposition. He tendered
me a bank check for the amount.
I declined to receive it as I had

yet

yet no answer from the Department of State authorizing a settlement upon the basis proposed by Li. This official, Chang by name, urged me very strongly to receive the money. He represented that N. E. Li would be seriously embarrassed if he was unable to include the amount to be paid in the accounts of the current Chinese year, which accounts must, according to custom, be closed upon the following day. In response to my remark that I did not know that the amount proposed would be accepted by my Government as a settlement in full of the "Ward" claims, he said that he was instructed to explain to me that this might be considered as a deposit on account, and that if 1% or 2% more must be paid as interest this could be managed, but that it would be a special

favour

favour if I would receive the amount named at once, as there was a surplus from which it could be taken before the accounts for that year were closed; this surplus must be covered into general funds the next day, and it might seriously embarrass Li to have to pay the whole amount at the beginning of the new year. After much urging, and with great reluctance I finally consented to receive the money brought me by Chang, and to give a conditional

9/- receipt for it. A copy of this receipt is enclosed and made a part of this report. It is important, in view of subsequent events that you take notice that this receipt contained the express stipulation that, in case the Secretary of State did not accept the proposed settlement

settlement of the "Ward" Claims
at 8% interest, the money —
received was to be returned
and the receipt cancelled.

Upon the 9th February I —
received a Telegraphic instruction
from the Secretary of State of —
which a copy is enclosed.* It 10/-
gave, as you will see, no —
answer whatever to my message
reporting the proposition made
in the "Ward" Claims. But it —
led me to suspect that Mr. Hill, the
owner of the "Keenjew" claim had
been also using the cable, and that
the Secretary had possibly been
misled by his message and had
not correctly understood that the
proposition telegraphed by me —
related exclusively to the "Ward"
Claims, and did not include the
"Keenjew" case. I therefore sent
another message at once to Mr.
Frelinghuysen, as per copy 11/-
herewith,

* See Mr. Frelinghuysen to Mr. Holcombe, telegram
February 8, 1883, ante,

herewith, repeating the offer made in the "Ward" claims and asking permission to accept it. †

At the same time I sent a message ~~in cypher~~ in which it was stated that the Chinese wished to connect the "Kerjeor" claim with the payment of the surplus of the "Canton Indemnity Fund;" that I could not discuss this question; ‡ and stating that if the Secretary of State could say certain things to the Chinese Minister at Washington it would help my business at Tientsin.

omit

I sent this ~~cypher~~ message because I was seriously embarrassed in my negotiations by the constant references made to that surplus fund by H. E. I knew that he had sent a despatch by cable to the Chinese Minister at Washington upon the subject and hoped that Mr. Frelinghuysen might

† See Mr. Holcombe to Mr. Frelinghuysen, telegram, February 9, 1883, ante.

‡ See Mr. Holcombe to Mr. Frelinghuysen, telegram, February 9, 1883, ante.

be able to say something to the Chinese Representative which would at least, prevent my being further confronted with a question which I had no power to discuss, and which was being adroitly handled in a way to serve as an excuse for the refusal of justice in the Kenjeev claim.

And I sent the message asking permission to accept the proffered settlement of the "Ward" claims upon a basis of eight per cent interest, because I had been apsured by Mr. Charles E. Hill, before this proposition was made by Li, that the claimants would be only too glad to settle their demands at the rate of interest named. And I felt too that there was much strength in the argument putforward by Li that China ought not to be expected to pay a higher rate of interest upon these claims than

she

she pays upon her bonded debt.

Perhaps I ought to say just here that after I had telegraphed Li's proposition to the Secretary of State, Mr. Hill, in spite of his earlier declaration that the owners of the "Ward" claims "would be glad to settle "at 8%," protested most vigorously at a settlement of the "Ward" claims upon that basis, solely on the ground that it would injure his claim. He further asserted that he was authorized to represent the "Ward" claimants. As he produced no papers to support this assertion, and, indeed, admitted that he had none, and as I had in my possession powers of attorney authorizing other parties, not now in China, to represent certain of the claimants, I was forced to refuse to recognize Mr. Hill as having any right to

a

a voice in the settlement of the "Ward" claims. Neither did I see then, nor can I discover now, any serious reason for the fear expressed by Mr. Hill that the settlement of the "Ward" claims at 8% would in any wise compromise his claim. It is absolutely distinct and separate from the "Ward" claims, a debt incurred by a different Chinese official with an American citizen not interested in the "Ward" claims. It rests upon a different basis, and has absolutely nothing in common with the latter — excepting what may be found in the fact that both were incurred in connection with the suppression of the Taiping Rebellion.

After despatching these telegrams I arranged for another interview with Li, in order to reach if possible a settlement of the "Kenpin" claim upon the basis

of

of the instruction received by cable from the Department, ~~as shown in inclosure No. 10.~~ The interview took place upon Monday, February 12th and was long but tedious and uninteresting. As no new points were made nor arguments presented, and as the conversation was substantially identical with what has been already reported as having taken place at earlier interviews upon the same subject, it hardly seems necessary to encumber this report with a separate precis of the conversation. Suffice it to say that no progress was made. N. E. Li adhered steadily to his position. He would either pay the "Kenyon" claim at the amount as principal as allowed by the Hanking Viceroy in 1877 with interest added at 6% per annum, or he would pay the whole amount claimed provided

provided, I would give a written guaranty that the surplus of the Canton Indemnity Fund should be returned to China. And he frankly admitted that he knew I could not give such a guaranty. As his other proposition meant a payment of less than Taels 40,000, while the claims amounts to substantially Taels 160,000, — acceptance of it was quite out of the question.

Upon the 13th of February. I received an answer to my two Telegrams of the 9th, as per copy enclosed.* You will see that the Secretary of State did not intimate any intention of — speaking to the Chinese Minister as Brad suggested, and instructed me to "ask nine percent in "hard" claims. I went at once to see Li in relation to the matter. He — declared positively that the Chinese Government 13/—

Dint

* See Mr. Frelinghuysen to Mr. Holcombe, telegram, February 12, 1883, ante

Government would not pay more than 8% interest, and ought not to be urged to do so. He insisted strongly that the rate fixed on Chinese Bonds was an extreme limit beyond which they should not be asked to go, especially with claims which they had always regarded with suspicion. He urged that I had not made it appear in my telegrams to the Department that he had first offered only 5% interest, then 6%, and at last, and after much hesitation, had offered 8%, and he maintained that had the Department known this, his offer would have been at once accepted. I assured him that this would have made no difference since not his offers, but a sense of justice to all parties was what would guide the Department to its decision. After going over the same ground

again

again and again with no good result, Li still insisting in his refusal to pay more than 8% — interest I took my leave with an impression that if the Government insisted upon its demand for 9% he would probably pay it rather than leave the "Ward" claims — unsettled, but that, if paid it would be with a very bad grace.

I may say just here that this interview proved what I had all along suspected, that Li saw every telegram sent by me to — Washington, and actually knew the contents of telegrams received by me, before I received them. This is not strange when one — remembers that the line from Tientsin to Shanghai is Chinese and directly under the control of H.E.

As a result of this interview I telegraphed the Secretary of — State

— 141 —

Staff the same evening Dis refusal
to pay 9 % and asked for instructions.*
Upon the 19th February an answer
15/- was received instructing me to
"insist on nine per cent." Upon
the 20th, I sought an interview
with N. E. and informed him of
my instructions. A précis of
our conversation is given herewith.
I heard with the utmost astonishment
[and indignation] Dis assertion that
I had positively accepted his
proposition of 8% interest made
nearly three weeks previously,
[and that I might now get out
of the trouble with my Govern-
ment the best way possible.] The
[bare faced [statement] falsehood] of N. E.
was all the more unaccountable
and astounding as members
of his Staff who were present
when he made his proposition
of 8% interest, and heard me
say, not once but some four or

omit * * *

* See Mr. Holcombe to Mr. Partington, five telegram, February 14, 1861, ante.

five times, that I could not take upon myself the responsibility of acceptance but would cable his offer to Washington and ask instructions, and who had been repeatedly sent by him to enquire if I had received an answer from the Secretary of State, [because these same subordinates] were in the room and witnesses to this [absurd] assertion of N. E. [Of course no one of them dared open his mouth.] The interview though not long was rather stormy, and as you will see, I was once or twice forced to check N. E. in saying things to which I could not, with any sense of propriety, listen. His evident purpose was to frighten or coerce me into the acceptance of the settlement at 870 in violation of my instructions from Washington. And I may say frankly that, had I not been so thoroughly amused

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omit * * *

omit * *

at

at the absurdity of such an effort, it might have been more difficult for me to conduct my part of the conversation with coolness - and in a temperate manner. His evident anxiety to have me retain the money already received led me to believe that, when he found his scheme was idle, he would pay the balance due and so close the Ward claims. And the event proved that I was correct in this belief, though the last word of H. E. was that the case was already settled and that he would never "pay another cash", while on my part the last word was that I - should at once return the amount already paid me, and leave for - Peking.

I was at first strongly impressed with a conviction, as the result of this interview, that I had made a serious mistake in consenting to receive,

receive, under any circumstances, the money urged upon me by Li prior to the receipt of a definite answer to my first telegram to the Department. Subsequent events however showed that impression to be erroneous, and developed the fact that, had that money not been paid to me before Li had reported his action to Peking, he would have insisted upon connecting both the "Ward" and "Kerrison" claims with the "Canton Indemnity Fund", and, as a necessary result, all efforts at Tientsin would have resulted in nothing practical.

The evening after this interview with H. E. I attended by an invitation a public meeting at Tientsin, and in the midst of it a messenger came from my hotel with the card of the Intendant of Customs and a message that he

was

was waiting to see me at my rooms on urgent business and begging me to come at once. I returned word that I was engaged and could not see him that evening but should be glad to have him call the next morning, February, 21st at nine o'clock. He came at the time appointed and remained five hours. He stated that he was sent by N. E. Di, to consult with me about the interview of the previous day. and to urge me to accept a settlement upon a basis of 8% interest in the "Ward" Claims. I replied that it was idle to discuss that point, and added that I was preparing a despatch to Di declining his proposition, and returning the money received, and that I should leave for Peking the next day. I said further that I could not consider their present proposition as very complimentary to me, since

since it substantially assumed such ignorance on my part of my proper duties as would lead me to invite the severe censure of my Government by the open violation of explicit orders from the Secretary of State. In conclusion I said that I must decline to discuss the proposition further, and that were I offered in payment of the "Ward" claims a sum less than the principal and interest at 9%, by only a single dollar, the offer would be at once rejected.

The Customs Intendant then asked me to write to Mr. Young seeking his authority to close the case at 8% interest. This I refused to do, adding that, in the face of positive instructions from the Secretary of State, Mr. Young had no more power in the premises than I. He then asked me to write to the Department explaining in full the

course

course of our negotiations, under which Li had offered first 5% - interest, then 6%, then 7%, and, at last, 8%, and calling attention to their sense of injustice in being required to pay a higher rate of interest on doubtful claims than - China paid upon her bonds; and in the meantime to accept his written guarantee that, if, after receipt of my letter, the Government still insisted upon 9%, he would pay it to me. In reply I said that - in my report to the Government all these points in my negotiations with Li would appear, and the Secretary of State would have full information as to their feeling upon the question of interest. But I could not accept his guarantee, nor deal with the case in such a manner. I must either receive 9%, or take nothing.

The Intendant then renewed

renewed his proposition of the previous day of a settlement at 8½% which was at once refused.

The Intendant then proceeded to say that N. E. di was in serious difficulty in the business. His instructions had directed him either to offset the claims with the "Canton Indemnity Fund", or, failing this, to pay nothing unless I would guarantee the payment to China of that fund. N. E. had failed on both of these points, and yet had offered on his own responsibility to pay the principal and 8% interest in the "Hard" claims, and had actually paid the amount thus due into my hands. After having done this he had reported his action to the Privy Council, and had been censured for his course but told, at the same time, that what he had done might be allowed to stand. The Customs Intendant went on to

say

say that under these circumstances, any further payment to me by N.E. on account of the "Ward" Claims was quite impossible, if such payment must be accompanied by an official despatch which would be required to be reported to Peking. Rather than take this course which would subject him to fresh and more severe censure, N.E. would prefer to have the money returned and the whole business dropped. But, acting on behalf of N.E. the Customs Intendant was prepared to pay me then and there the balance still due, if the claims were reckoned at 9% interest, upon two conditions. - (1st) that I would faithfully report to my Government the strong feeling of N.E. against the justice of demanding a higher rate of interest than that paid on the Chinese loans, in the hope that the

the Secretary of State might be
induced to recede from his demand
for 9% and (2nd) that, in my
response to the despatch of N.E. of
February, 4th Enclosure No. 8. I would
not specify either the sum total
received by me, nor the rate at which
the interest was reckoned but would
simply say that "I had received the
"sums demanded as principal and
"interest in full of all accounts in the
"so called "Ward" claims."

" I answered at once that I
would readily and gladly comply
with the first condition, but that
there were serious difficulties
connected with the second. Among
other objections I pointed out that
whether I mentioned in my official
response to N.E. the amount received
and the rate of interest, or not, I
must positively give an official
receipt to N.E. stating the exact
amount received; that this must

be

be done as a matter of self protection both to N.E. and to me. The Taotai replied that he had no objection to such a receipt provided it was not enclosed nor referred to in my official despatch. A long conversation ensued which convinced me that the remaining payment must either be accepted as proposed by the Taotai, or the whole business would fall to pieces, and all my efforts at Tientsin would end in nothing.

I therefore reluctantly acceded to his proposition, and he at once sent out and got a check for the balance due - Taels 2,831$\frac{89}{100}$ or say $3,933$\frac{18}{100}$ and paid the amount to me.

I gave him for transmission to N.E. Li a formal receipt in Chinese and English of which a copy is Enclosed. 17/-

The next day, February, 22nd.

I replied officially to N.E.'s
despatch of the 4th of the same month.
Enclosure No. 18.

A copy of my response is
given herewith. In it, as you 18/-
will see I first acknowledged
receipt in full principal and
interest of all demands of citizens
of the United States on account of
the so called Ward claims. I
then renewed my demand for
payment of the "Kearsarge" claim,
principal and interest at 10%
per annum, and referring to
N. E's request for a little delay -
expressed the hope that no
considerable delay would be -
allowed. I promised to -
report to the Secretary of State
what N. E. had said regarding
the surplus of the "Canton Indemnity
Fund", and closed the despatch by
pointing out the difference in the
status of these two matters and
suggesting

suggesting politely that China should fulfil the plain demands of justice towards our people before she asked us to perform acts of friendship towards her.

As your despatch number 24 had been received upon the 20th February, in which I was requested, in case of a settlement of the "Ward" claims at a less rate of interest than 10%, to take special precaution against compromising Mr. Hill's claim for 10% interest, I therefore, at the same time with my official reply, sent a further memorandum to H. E. in the "Review" case a copy of which is enclosed. 20/-

As the parties principally interested in the sum received on account of the "Ward" claims are resident in the United States, and as hence several months must elapse before proper arrangements

arrangements could be made for the distribution of the money. I deposited the entire amount received Shanghai Taels 40,449 50/100. in the Hongkong and Shanghai Bank for a fixed term of six months at interest at 4% per annum, subject to the order of the Chief Diplomatic Representative of the United States in China. The amount can of course be drawn prior to the expiration of this fixed term by a forfeit of the accrued interest. I took a receipt in triplicate for the amount, and inclose one copy herewith. 2/—

The same day I sent a further telegram to the Secretary of State, informing him of the final settlement of the "Ward" claims, the request for delay in the "Kenyon" case, and of the feeling of the Chinese Government in regard

to

to the "Canton Indemnity Fund."

As there seemed to be no good prospect for the accomplishment of anything further in the business entrusted to me at Tientsin, I left that city on the morning of the 23rd of February, and reached this Legation upon the following day.

In concluding this somewhat lengthy report of my proceedings in the "Ward" and "Kenyon" claims, there remain one or two points upon which further remark is necessary, in justice alike to the Chinese and to me, and to prevent any possible misapprehension on the part of yourself or the Secretary of State as to the actual difficulties met with in my negotiations, and the reasons for the failure to settle Mr. Hill's claim.

In the face of the somewhat peculiar logic under which H.E.

Li

Li proved in his first memorandum enclosure 2.— that nothing was due in the "Ward" claims, and then — enforced his argument by the offer of the principal and 5% interest, I had no serious difficulty in — securing from him a proposition to pay 8%. But he resisted most strenuously the payment of a higher rate of interest on the ground that the rate paid by the Chinese Government on its bonded loan was an extreme limit beyond which, in justice, he ought not to be asked to go, and finally paid the additional 1% informally and under protest as it were, and with my promise to represent his views upon the point to our Government.

In my opinion there is good ground for argument on either side of this question. On the one hand, it is a fact which

cannot

cannot be disputed that at the time these debts were incurred the commercial rate of interest at Shanghai was not only more than 8% it was more than 10%. The Banks at that port were charging from 12% to 15% and private creditors were obtaining even higher rates than these. Indeed the amount due upon these claims was originally computed at 12% interest. Even now no Bank in China loans money at a less rate than 8%, and at that only upon the best security. If then, the ruling rate at the time the debt was incurred is to be accepted as determining the rate of interest to be charged, the rate insisted on by us is well within that limit, and the Government of China can have nothing to say.

But it should be remembered that

that in our arguments N. C. di
never accepted this principle, —
and insisted that the Government
never, either before or since, had
paid so high a rate of interest as
10% or even 9%. As to the accuracy
of this statement I can of course —
form no judgment. I may say
however that this Government,
or high officials under it, in its
arbitrary manner of dealing with
its subjects habitually levies forced
loans from wealthy individuals,
at a very low rate of interest, or
more commonly at no rate of —
interest at all, and with no —
intention of paying the principal.

But on the other hand, I —
presume it is true that there are
few or no Governments that would
willingly consent to pay a higher
rate of interest on private claims
than on a public loan. And it
is also doubtless true that China

can

can to-day borrow all the money she needs or may care for in London or New York for 6% or even 5%. Again, in looking at this matter from a Chinese standpoint, it should be borne in mind that China has never admitted the abstract justice of these claims. This has never been done in the correspondence between this Legation and the Foreign Office. It was not done by the Ranking Minister in my negotiations with him in June 1877. nor by Li in my recent negotiations with him. Both of these last named officials argued against the abstract validity of the claims, but proposed payment on the ground of the arbitrators award, and their unfriendly feeling towards the United States. That they were privately convinced of the justice of the principal amounts demanded, I have no doubt, but they never admitted

admitted it. While their refusal to admit the abstract justice of our demands has nothing to do with the fact of their justice it still might perhaps be taken into consideration in a settlement of the claims upon a friendly basis.

These arguments are brought forward here in fulfilment of my promise to H. E. di that the attention of the Secretary of State should be called to them, and, because, in the correspondence by cable with the Department it was, for obvious reasons, impossible to go into explanation of the feelings and position taken by the Chinese upon the interest question.

At the same time I beg that it may be distinctly understood that in bringing forward these arguments I am not expressing any individual opinion, and still less am I assuming to criticise

the

the action of the Secretary of State in directing me to insist upon 9% interest. Such criticism is not within my province, and I should be greatly distressed in case any inference of that nature were drawn from these remarks.

Although well aware that much greater difficulty would be met with in dealing with Mr. Hill's claim than the others, it was none the less a serious disappointment to me not to be able to dispose of that business while in Tientsin. In my opinion there are three reasons for my failure in Mr. Hill's case the principal and most important one being the possession by our Government of a surplus in what is known as the "Chinese Indemnity Fund". The heads of the Chinese Government have known for years of the existence of this surplus, and have felt

that

that it should be returned to China. It has however never been mentioned by them, so far as I am aware, — until recently, and probably would not have been in the present, had they not received information of the legislative measures taken by us looking to the return of a similar surplus to Japan. You are well aware of the feelings of intense jealousy and dislike which the leaders of this Government entertain towards the Japanese, and hence can readily understand that any action on our part of a friendly character towards Japan, — unaccompanied by similar action towards China, the situation so far as these two countries are concerned being the same, would at once provoke a sense of injustice and distrust towards us. In a hot blooded quick tempered person — such as Li is, this feeling would be

be especially intense. And that he did feel hurt and angry at the proposed return of the surplus to Japan while nothing was being done on our part looking to a return of the similar surplus to China was unpleasantly apparent at every step in our negotiations. In one conversation he referred to the liberal spirit with which the Chinese Government had met our Commissioners in 1880., and concluded a Treaty "which empowered "the United States to enact laws which "discriminated against the Chinese "alone of all the people on the globe." And then he added "this was a "proof of our confidence in and "friendship for the United States. And "now you return our confidence "and Kindness by taking steps to "return a sum of money due to "Japan, a Government which "would never have done for you

"what

"what we did two years ago, and
"make no motion towards returning
"a similar sum which belongs to
"us as properly as the Japanese
"Indemnity belongs to Japan".

As I had no right or
authority to discuss the question
of the repayment of the Chinese
Indemnity Fund, and hence
could answer nothing beyond
the general platitude that
China might confidently rely
upon the good disposition and
sense of justice of the Government of
the United States, you will readily
perceive that I was seriously
embarrassed and that my position
was delicate in the extreme. And,
as I have already intimated, the
difficulties of the situation were
largely increased by the ill-
advised action of the claimant
in the "Kenyon" case who was
present in Tientsin during my

negotiations

negotiations and who had indirect access to Li. Mr. Hill evidently thought that his promises to use his influence with members of Congress to secure the payment of the Chinese Indemnity to China, provided Li first paid his claim, would have a decided effect in hastening the settlement of his case. But he neglected to consider carefully the way in which Li might look at his proposition. As the event proved, N. E. evidently regarded the situation from another point of view, and very naturally reasoned that, in case he paid Mr. Hill's claim first and trusted the claimant to use his influence, whatever that might amount to in favour of the repayment of the Indemnity, that he really would have no hold upon him and no assurance that he would keep his part of the bargain in good faith

faith. On the other hand, by delaying the payment of the "Kearsarge" claim, and by assuring the claimant that his demands would be met after the indemnity was repaid, he would have the best possible guarantee that Mr. Hill, in his own interest, would endeavour to hasten action upon that fund. In this way Di reasoned, and upon this line of reasoning he acted, and Mr. Hill's promises and general interference in my negotiations seriously hindered, instead of helping, his own case.

In justice to myself I must add that I did all in my power to prevent and put a stop to these indirect and "back-door" negotiations on the part of Mr. Hill. Indeed I said to him prior to my departure for Scientia that, if he proposed remaining at that port during the discussion of the business, that he

he would be expected to keep entirely in the background, and to have no intercourse with Chinese officials upon his claim. And he promised to comply with my requests upon this point.

In calling your attention to these delicate points in my negotiations, I desire to expressly disclaim any intention to pass undue criticism upon Mr. Hill. An intense and easily understood anxiety to secure what is justly due to him and for which he has laboured many years, coupled with ignorance of the proper modes of conducting official business very naturally led him to take the course indicated above. I readily understand and heartily sympathize with him in his anxious desire to have his claim paid. At the same time his action at Tientsin was ill advised and indiscreet in the extreme.

Extreme.

Another serious difficulty in the way of the settlement of the "Meerjeer" claim at Tientsin is found in the fact that it was placed before the same arbitrators who decided upon the amounts due in the "Ward" claims, and was rejected by them. How H. E. Li used this point in our negotiations is fully shown in the various Enclosures to this report. It must be admitted that the action of Mr. Consul General Seward in placing this claim before Messrs. Cunningham and Hanbury was a very serious mistake, a mistake which he afterwards acknowledged. The immediate and necessary result of this step was the rejection of the claim of Mr. Hill by the arbitrators. For they, by the terms of the arbitration agreement were

limited

limited to the consideration of claims against Wu, Taotai. The papers submitted in the "Kenjiwi" claim showed upon their face that the claim was against Yang-Takee, and no person has ever maintained, either before or since the arbitration referred to, that Wu Taotai was in any wise responsible for the charter and use of the steamer. While this rejection of the "Kenjiwi" claim was not based in any degree upon the merits of the case, and hence cannot justly be held to invalidate our demands, it is easily seen that a shrewd and crafty official, who was seeking not so much to settle these matters in a just and equitable manner but rather standing ground and excuse for evasion and delay, would make all possible use of this

rejection

rejection of Mr. Hill's claim by Messrs. Cunningham and Hanbury. Thus from the beginning to the end of our arguments, Li maintained that his action was beyond question in that he paid the "Ward" claims because the arbitrators declared that they were justly due, and refused to pay the "Keorjeor" claim because these same arbitrators said it ought not to be paid.

Nevertheless I am convinced that the controlling reason in the mind of Li for refusing to pay the "Keorjeor" claim is to be found in the existence in our hands of the surplus in the "Chinese Indemnity Fund." The rejection of the claim by the arbitrators — and the large amount involved — about $ 230,000.— were minor and unimportant objections which could easily have been removed

in

in the absence of the more serious objection mentioned. The amounts involved in the "Ward" claims were comparatively small, and he paid them, in the face of his instructions from Peking, [not because of any skill or ability shewn by me in the negotiations, nor because of the arbitrators award, nor yet as an act of abstract justice, but as a sop thrown to the United States and an intimation that China was prepared to meet our Government half way in an effort to put all money questions beyond the arena of debate. And he would not have taken this course had he not reason to believe that the sum total of the Chinese Indemnity is greater than the combined sum total of the "Ward" and "Kerosene" claims principal and interest, and that hence, in such a general settlement as he proposes,

omit * * ^ [as]

China

China would actually receive more than she pays. [I am aware that this is putting the action of N. C. Li upon a very low standard but the whole course of his arguments and action not only justify me - but forces me to this conclusion. -] His evident line of policy was, to pay the "Hard" claims, recognize the "Kerrison" claim but ask "a little delay", and to continue this delay until an assurance of the repayment of the Chinese Indemnity" is given. In the meantime he will bring up the question of that indemnity - whenever we revive the "Kerrison" claim. In proof of this are the facts that he offered repeatedly to pay the one if I would promise that the other should be paid, and his declaration made in our last interview that "we "will never pay the "Kerrison" claim until

"until we see that you intend
"to refund that surplus, and —
"when we do see that we will
"pay it at once."

And there was never a moment during my stay at Tientsin when any settlement of the "Kenyon" claim was possible except such as would have involved a sacrifice of three-fourths of the sum justly due.

If I am correct in this interpretation of the purpose and policy of N. E. Li in this business it necessarily follows that any early settlement of Mr. Hill's claim is improbable unless our Government either takes measures to return the indemnity to China, or authorizes the use of more peremptory language in the premises than has hitherto been permitted to this delegation in its discussions with the Chinese Authorities

Authorities.

In conclusion I must beg that, in any criticism upon my course at Tientsin, full allowance may be made for the exceedingly difficult and delicate position which I was forced to occupy and for the peculiarities of Chinese method of business to which within certain limits it seemed necessary to conform.

Hoping that the Government will be able to approve of my action as herein described,

I have the honour to be,

Sir,

Your obedient servant

Chester Holcombe

Enclosures.

1. Mr. Holcombe to H. E. Li
Memorandum. January 15th, 1883.

2. N. E. Li to Mr. Holcombe.
Memorandum. January, 20th, 1883.
3. Mr. Holcombe to N. E. Li.
Informal. January, 23rd, 1883.
4. N. E. Li to Mr. Holcombe.
Informal. January, 23rd, 1883.
5. Précis. of Conversation.
January, 24th, 1883.
6. Précis. of conversation.
January. 29th, 1883.
7. Mr. Holcombe to Secretary of State.
Telegram. January, 30th, 1883.
8. N. E. Li to Mr. Holcombe.
Formal. February, 4th, 1883.
9. Copy of Conditional Receipt.
February. 5th, 1883.
10. Secretary of State to Mr. Holcombe.
Telegram. February, 9th, 1883.
11. Mr. Holcombe to Secretary of State.
Telegram. February, 9th, 1883.
12. Mr. Holcombe to Secretary of State.
Telegram. February, 9th, 1883.
13. Secretary of State to Mr. Holcombe.
Telegram. February, 13th, 1883

14. Mr. Holcombe to Secretary of State.
Telegram. February, 14th, 1883.

15. Secretary of State to Mr. Holcombe
Telegram. February, 19th, 1883.

16. Précis of conversation.
February, 20th, 1883.

17. Receipt-in full "Ward" Claims
February, 21st, 1883.

18. Mr. Holcombe to N. E. Di.
Formal. February, 22nd, 1883.

19. Mr. Young to Mr. Holcombe.
No. 24/1883. February, 19th, 1883.

20. Mr. Holcombe to N. E. Di.
Informal. February, 22nd, 1883.

21. Bank Receipt for deposit.
February 22nd, 1883.

22. Mr. Holcombe to Secretary of State.
Telegram. February, 22nd, 1883.

Inclosure 1.

Mr. Holcombe to H. E. Li.

Informal.

January, 15th 1883.

Y. E.

Referring to my statement made to Y. E. at your Yamen on the 13th instant, I have now the honour to forward a memorandum on the "Ward" and "Kerrison" Claims — with various enclosures to the — number of six.

May I request Y. E. to give these papers your serious — attention.

I have &c

(Signed) Chester Holcombe.

"Ward" and "Keorjeor" Claims.

Memorandum.

The so called "Ward" claims are composed of accounts for supplies furnished and services rendered to the Imperial Chinese troops in the Taiping Rebellion and more particularly to the foreign drilled corps organized by General Ward, and, after his death, led by General Gordon. In the fall of 1861, the claimants preped for payment without success, and in January, 1862. a Chinese Steamer called the "Confucius" was seized and held as security for the amounts due. Negotiations were thereupon entered into between Consul General Seward and Taotai "Mi" with the result that an agreement was entered into between these authorities under which Mr. Seward

Seward agreed to return the steamer to her owners, and Mu Taotai agreed to submit all outstanding accounts to two arbitrators, Messrs. J. Kearney Rodgers and Frederick A. B. Jenkins, and to pay, within a period of three months, all sums decided by the arbitrators as justly due. The original of this agreement to arbitrate is now in my possession, and a copy of it is made a part of this Memorandum. Mr. Seward at once ordered the release of the steamer "Confucius"; the arbitrators entered upon their duties, and upon March, 3rd, 1863. rendered their decision under which Mu, Taotai was to pay to the several parties in interest a sum total of $82.092 66/100 and Taels 242.917 66/100.

1/-

As noted above, the Consul General had complied with his part

part of the agreement in advance of the action of the arbitrators, and hence the Taotai repudiated the judgement of these gentlemen, — although he had promised under his official seal to accept of it, and flatly refused to pay any portion of the sums adjudged to be due.

A long discussion ensued and upon the 13th October, 1863. Mr. Seward and the Taotai — agreed to a second arbitration by Messrs. Edwards Cunningham and Thomas Hanbury was — agreed to. Each official affixed his sign manual and seal of — office to this agreement, a copy of which is enclosed herewith. 2/—

Upon the 18th January, 1864. the arbitrators rendered their decision the original of which is now in my possession, and a translation 3/— of which is made a part of this Memorandum. By it, as will be

seen

seen they decreed that Wu Taotai should pay a sum total of Taels 34,856 42/100 and $23,395 72/100, and that these sums should be paid within the month of February, 1864, without interest. They rejected for various reasons claims amounting to Taels 22,606 95/100 and $11,863 69/100.

Wu Taotai again objected to the award of the arbitrators, and in the face of his official engagement refused to pay the sums adjudged as due. He paid Taels 21,174 96/100, and $15,892 47/100 leaving an unpaid balance under the award of Taels 13,681 46/100 and $7,703 25/100. Of these sums certain portions were due to persons who were not citizens of the United States, and which amounted to Taels 2,777 60/100, and $2,008 88/100. For these Mr. Holcombe makes no request for payment. The net balance unpaid and due to citizens

citizens of the United States is therefore Taels 10,903.86 and $5,694.37. No portion of these amounts has been received and they form what is known as the "Hard" claims, and of which the United States has been patiently seeking payment for the past 19 years.

As the arbitrators decided that these claims should be paid in February, 1864, without interest, none is claimed on them for the time previous to March, 1st, 1864. but, for the same reason and as a matter of the plainest justice to the claimants my Government has decided that interest should be paid from that date to date of final payment and has fixed upon 10% per annum as a just and reasonable rate. The interest thus reckoned on Taels 10,903.86 from March, 1st 1864. to January. 15th 1883 (the date of this Memorandum) amounts to Taels

20,589.19

20,589.$^{19}_{100}$, and on $5,694.$^{37}_{100}$ at the same rate for the same period to $10,752.$^{27}_{100}$. Hence the principal and interest due on the "Ward" claims at this date is Taels. 31,493.$^{05}_{100}$ and $16,446.$^{64}_{100}$.

In order to shew beyond question the opinion of my Government regarding the justice of these claims and its decision regarding the rate of interest to be charged, a copy of one of many despatches from the Secretary of State upon the subject is enclosed. 4/m

It is proper to add that of the items omitted above as not belonging to citizens of the United States, the greater portion were English and were paid, principal and interest four years ago from the indemnity paid by the Chinese Government in the "Margery case".

Yeoriow

Keorjeor Claim.

The "Keorjeor" was a steamer owned by Mr. Charles E. Hill, an American citizen, and chartered by Wang Taotai in June, 1862 for the use of the "Ward Corps". A regular charter party was made in English and Chinese by the terms of which Mr. Hill was to receive Taels 3,000 per month charter money, and Taels 12,000. in case of her destruction or capture by the rebels. Her charterers were at liberty to make certain alterations in her, and were to pay all wages, and other expenses of every sort.

This steamer was used under these conditions from June, 1862. to July, 1863. both months inclusive, or a total of 14 months. Upon the 1st August, 1863. she was captured by the rebels at a place called "Sung Kong". Up to this time

time no portion of the charter-
money earned had been paid,-
nor has any sum been paid
since. There is therefore due-
and owing in the "Keoyeo claim"
the following:-

14 months Charter @ 3,000 taels
per month Tls. 42,000.
Indemnity for loss. -" 12,000.
Taels $54,000.

It is unnecessary to give any
proof of the facts recited above as to
the use and capture of the "Keoyeo".
Y.E. as the General in command
of the Imperial forces is entirely un-
familiar with them. You reported
her capture to Consul General in
Seward in a despatch of which-
the original is now in my hands,
and of which you have a copy.-
The troops under your immediate
command recaptured the "Keoyeo":
as Y. E. has in person informed
me. You have further stated to

me

me that she was sunk in the-
effort to recapture her, but un-
subsequently raised and repaired
under your orders and used by you
for a period of two years, when,
being worn out, she was broken up.
If further evidence to prove her use
by your Government were needed,
it is found in the fact that as un
specified in the Charter party, bills
for crews wages, supplies &c. were
paid by the Taotai, as the agent
of the Chinese Government, and
the originals of such bills are now
in my possession.

Mr. Hill made repeated efforts
to secure the payment of the sum
named above from the heirs of
Take who died soon after the un-
capture of the "Keying" by the rebels
but without success and finally
in 1875, he sued these heirs before
Mr. Consul General Seward and
the Intendant of Circuit at un

Shanghai

Shanghai. At this trial it was shown that the Charter party had been lost or stolen from the United States Consulate General at Shanghai, and that Mr. Hill was in no way responsible for its loss. Its existence and contents and indeed all the facts set forth above were proven in the clearest and most positive manner by unbiased and reliable witnesses. The heirs of Take had no evidence to bring against the justice of the claim. Yet the Chinese Intendant of Circuit refused to give judgment against the defendants.

The evidence and pleadings in the case were printed, and I enclose a copy for the consideration of Y. E.

5/-

After the failure to obtain justice in Shanghai the case was appealed to the Government of the United States. That Government has decided

decided in the most positive manner and after a most careful scrutiny of the evidence that the claim as set forth by Mr. Hill is just and valid and furthermore that he is entitled to interest at the same rate fixed upon in the "Ward" claims, that is 10% per annum from August 1st, 1883, the date of the capture of the "Reorient" up to the date of the payment of the claim. In order to shew Y.E. the exact opinion of my Government upon these points, I enclose copies of two instructions received from the Department of State in the premises.

Under these the sum due and claimed by the United States, on behalf of Mr. Charles E. Hill, in the "Reorient" claim is as follows:

14 months Charter Tails	42,000.-
Indemnity for loss.	12,000.-
Total. Tails	54,000

Total Taels. 54,000.-

add interest at 10% from 1st August, 1863 to January, 15th, 1883. being 19 years and 168 days. 105,084.-

Total principal and Interest } Taels. 159,084.-

(Signed) Chester Holcombe.

Tientsin, January, 15th, 1883.

Memorandum by His Excellency Li in the "Ward" and "Reorjeor" claims.
(addressed to Mr Holcombe.)

Ward Claims.

The undersigned has carefully examined the memorandum submitted by you in regard to the prosecution of these claims by Consul General Seward on behalf of their owners, and has also considered the Chinese records in the case. From these papers it appears that in March, 1862 Mr Seward agreed with the late Wu Taotai to the first arbitration by which Messrs. Rodgers and Jenkins were requested to adjudicate these claims. Thereafter because these gentlemen had not come

to

to a just decision, and because Mr. Jenkins had not been accepted as arbitrator by the late Wu Taotai, it was agreed to consider the arbitration as null and void. In October of the same year they further agreed to request Messrs. Cunningham and Hanbury to arbitrate these claims, and they signed and sealed a formal contract of agreement to that effect. Thereupon Messrs. Cunningham and Hanbury brought in their decision under three general heads. The first consisted of claims which the late Wu Taotai acknowledged as due and which he was ready to pay. The second consisted of certain other claims which the arbitrators decided that Wu should pay. And the third consisted of certain claims which the arbitrators decided that Wu ought not to pay.

pay. Two days thereafter the two arbitrators submitted a further report covering four more amounts which they decided that Yu should pay.

Leaving out of account the claims which the arbitrators rejected, the amounts which Yu acknowledged as due were at once paid by him to Consul General Seward. But the sums which the arbitrators decided that Yu Taotai ought to pay, amounting to Taels 6,900.- and odd, and $4,500.- odd, with the supplementary award noted above, amounting to something more than Taels 6,700 - and $100.- Yu, Taotai, whether because he believed that the articles concerned were not used by the army or were not debts on account of the "Ward Corps", or were for clothing for Ward's personal use, or were for wages which had been once paid,

or

or for supplies or other uses in the quarter masters department and had already been paid and hence ought not to be brought forward again, and also because there was no proofs of indebtedness, for some or all of these reasons the late Mu Taotai refused to pay these sums, they became the subject of further discussion, and have never yet been disposed of. This is in brief, the history of the "Ward" claims.

You now come forward with a demand for the payment of these amounts with interest added at 10% per annum from March, 1st, 1864 - up to the present time.

I am informed that in Washington that upon all claims the law allows only a rate of 6% per annum.

Further in a treaty made between China and Great Britain

in

in 1843, in which it was not convenient for the former to pay certain sums at once, it was stipulated by the 7th Article that interest should be reckoned at 5% per annum. Heretofore in the adjustment of financial questions between China and foreign Powers, there has never been a demand for such a rate as 10%. Still further, the late Wu Taotai refused to pay the amounts decided by the arbitrators to be due because there was no documentary evidence that they were justly due. He was not without reason in this course. If Chinese law were allowed to rule in such matters, since that law requires that all money claims must be proved by documentary evidence, in the absence of such evidence, the claims could not be paid. Further, although arbitrators decided that he must pay these claims, yet this method of

deciding

deciding such matters by arbitration has never heretofore been followed in China.

If the procedure in the United States be followed under which, in case an agreement to arbitrate is entered into, the decision thus reached must be accepted whether it is just or not, still, since the son is never required to pay the debts of a deceased parent, and since Wu Yaotai is not only dead, but his son is dead also, hence, according to the Statutes of the United States the claims cannot be paid.

Hence it appears both in law and in reason that not only cannot interest be claimed but that the principal itself cannot be paid

However, since Mr Young, the United States Minister, has addressed

addressed me calling most urgently my attention to these claims, and since you have taken the trouble to come to Tientsin to discuss them with me, and being actuated by a profound regard for our friendly relations, I have decided to go out of my way to propose a compromise that is to say to pay the amounts adjudged to be due by the arbitrators amounting to Taels 10,903.86 and $5,694.37. In addition to this, if you must insist upon payment of interest, then manifestly I can only allow interest at the rate fixed in the treaty between England and China referred to above, that is at 5% per annum. Chinese law provides that in money claims no matter how long the indebtedness may have existed the interest may never be allowed to exceed the amount

of

of the principal.

The amount of the principal and interest must first be computed and then the heirs of the late Taotai Wu, will be made to pay it. I know of no other way of closing the business.

In the memorandum submitted you remark that of certain items omitted as not belonging to citizens of the United States, the greater portion were English, and were paid, principal and interest four years ago from the indemnity paid in the "Margary case".

In reply it must be remarked that the Chefoo convention contains the following stipulation:-

"The amount of indemnity to "be paid on account of the families "of the officers and others killed in "Yunnan; on account of the

"expenses

Inclosure 2.

His Excellency Li to Mr. Holcombe.

Informal.

January, 20th, 1883.

I have had the honour to receive your note of the 15th instant forwarding a memorandum upon the "Ward" and "Kenyon" claims with certain enclosures, six in number.

I have given the most careful consideration to these papers, and compared them with the records in these cases as furnished me by the Foreign Office. As a result of this investigation I have drafted a memorandum which embodies a proposition for the settlement of these claims. This memorandum is enclosed herewith and for it I beg your consideration. In taking this course, I have kept in view the

friendly

friendly relations of our two
Governments, and consequently
have gone to the extreme limit
in my propositions. In case
you agree with me in the
conclusions reached I beg you
will so inform me to the end
that we may close the business.

Card and compliments.

"Expenses which the Yunnan-
"case has occasioned; and on-
"account of claims of British-
"merchants arising out of the
"action of officers of the Chinese-
"Government up to the commence-
"ment of the present year, Sir
"Thomas Wade takes upon himself
"to fix at two hundred thousand
"taels, payable on demand". A
great variety of claims were
involved in this sum, but it had
reference only to such as were
due to British merchants, and
not to claims which were
unsupported by any proof.-
Still further it did not
particularize any one claim
as being for principal such
a sum and for interest such
a sum. The idea of this
Government was rather to close
the various matters all out by
the payment of a round sum.

And

And as Sir Thomas made no undertook to accept this mode of settlement, the responsibility of apportioning the payments to be made rested upon him. China never enquired how this was done, and it would not be proper to cite this as a precedent fixing a rate of interest to be charged.

"Keorjeor" claim.

Upon the 13th of October, 1863, Mr. Consul General Seward and the late Wu Yaotai agreed to request Messrs. Cunningham and Hanbury to act as arbitrators in the settlement of certain accounts. An agreement to this effect, signed and sealed by them in their official capacities, stated explicitly that if the arbitrators chosen agreed in their opinion,

then

then the Taotai or Consul, as the case might be, should abide their decision. They were to examine and adjudicate all claims on account of the Ward Corps, the Ward estate, the Steamer "Keorjeor" and the accounts of Mr Benson. The object in view was the closing up of the whole business named, and hence it was agreed that what the arbitrators said should be final and binding on either party. Claims declared by them not just or unsupported should be dropped by the Consul and never brought forward again. At the time this agreement to arbitrate was reached the Steamer "Keorjeor" had already been seized by the rebels. If payment for her charter and loss ought to have been made, the arbitrators would

would certainly have examined into the evidence and have so decided. But Messrs. Cunningham and Hanbury upon examination placed the Keorpeor claim in the category of claims not justly due. Hence, as these persons were chosen to settle and dispose of this whole business, the "Keorpeor" claim ought never to have been brought forward again.

Your action in bringing this claim up again at the present time and requesting payment of principal and interest amounting to a sum total of more than Taels 159,000.- is plainly in direct opposition to the express terms of the arbitration contract. Good faith is of grave importance in all international affairs. Nearly 20 years ago Chinese and

Foreign

Foreign officials executed a solemn agreement to invite certain arbitrators to adjudicate a case. What justice can there be in bringing it up again in violation of that agreement? If it be said that the arbitration decided that the late Taotai Wu ought not to pay the claim, and that it is now pressed against Yang Take, why did Consul-General Seward in preparing the agreement for arbitration simply name the "Keenan" claim, and not specify the person by whom this claim was due.? And why did the arbitrators in rendering their decision simply catalogue it as "not to be paid", and fail to declare that it was due from Yang Take. Still further, the Statement of the contract to arbitrate that "claims "declared not just or unsupported

"by

"by evidence should be dropped
"and never be brought up again."
was most clear and positive.
Hence this claim, whether there
is or is not evidence to support
it ought never to give rise to
further discussion. In
saying this, I am only
elaborating the decision of those
honest arbitrators that neither
the charter money of the "Georgeon"
nor the indemnity for her loss
ought to be paid. I am only
drawing a natural deduction
from their language, in conformity
with justice and equity.

In case that Mr. Hill still
refuses to assent to this I
subjoin several arguments drawn
from the facts of this claim, a
careful consideration of which
will convince you that Mr. Hill's
claims are not consistent with
reason.

I.

I. In your memorandum it is stated that the "Reorier" was chartered by Yang Taotai for the use of the "Ward Corps" and that a charter party in Chinese and English was made out.

January 9th, 1875. Mr. Hill testified at Shanghai that the charter party contained only Yang Taotai's private seal, and not an official stamp; that the seal referred to was such as a merchants use, and not such as is used by officials. He also testified that at the time the "Ward Corps" desired to attempt the capture of Ranking a number of other steamers were chartered, and that the charter party of each of these bore the Taotai's official seal.

Since therefore the charter party of the "Reorier" bore no official seal how can it be maintained

maintained that there is proof that it was chartered for the use of the "Ward Corps".

II. Your memorandum states that the charter party was lost or stolen from the United States Consulate General where it had been deposited; that Mr. Hill was in no way responsible for its loss; and that at the trial at Shanghai its existence and contents were proven in the clearest and most positive manner by unbiased and reliable witnesses, as were all the facts of the use of the steamer by the "Ward Corps".

It appears that the "unbiased and reliable witnesses" referred to were Rodgers and Jenkins, the two men who made the first arbitration which was set aside as unjust. Mr. Hill also testified that there was also a bill of sale

of

of the steamer, and that this bill together with the charter party — and a memo. of indebtedness of Take to him, in all three documents, were placed in a safe under the charge of Mr. Lewis. But Rodgers and Jenkins testified to having seen only the charter party. In such conflict of evidence credence is difficult. If Hill actually submitted only the Charter party to Rodgers and Jenkins, and withheld the bill of sale and memorandum of indebtedness — these last named documents contained something inconsistent with his demand. Now all these documents are lost, and although there is evidence that such a charter party existed, yet there is no means of determining what was the contents or purport of these three documents. How can it be idly asserted that the

claim

claim should be paid?

III. Hill first made out a bill for four months charter and afterwards for fourteen. The first and last do not agree. According to Hills' statement, when Wu Taotai and Consul General Seward had chosen Messrs. Rodgers and Jenkins to arbitrate the claims of American citizens against the "Ward forces," Takee came to Hill with a friend of his, an American named Freeman, and earnestly requested Hill to present a claim for four months charter to the arbitrators for their decision, because Wu Taotai would not pay it. He also testified that Takee went with him and in person urged Rodgers and Jenkins to approve the claim; that, although the claim was plainly one that Wu Taotai ought

ought to pay, yet he entirely depended upon Take for payment.

These circumstances make it appear that Yang Take and Hill conspired together to defraud and cheat the Taotai. This is apparent and easily seen. If Yang Take were alive he would be liable to punishment under Chinese law. Hill at that time conspired with Yang Take to defraud the late Taotai Wu. But two honest men, Cunningham and Hanbury, decided that the claim ought not to be paid. And now Hill turns around and demands the money from Yang Take. He doubles about without consistency, his statements are conflicting and according to Western law he ought to be punished. How then can it be held

held that the money ought to be paid him?

IV. Mr. Cunningham testified that, when serving as an arbitrator, it was decided that the claim ought not to be paid because there was no evidence of a properly executed charter party to the Chinese Government, that if a charter party to Saku had been produced it would not have been sufficient to fix the liability upon the Chinese Government. And at the close of Mr. Hills' testimony Mr. Consul General Seward added with his own pen the words. "All circumstances "considered I do not think the "Government can be legally "required to pay."

That is to say that the Chinese Government ought not to pay this claim.

V.

V. By the statutes of the United States, cases at law cannot be taken up after a term of six years has elapsed. In this case Hill allowed it to lie dormant for more than eleven years, and then for the first time took it up and brought suit. Hence according to United States law it ought not to be prosecuted. If it be said that Yang Jaku being a Chinese, the case should be pursued in accordance with Chinese law, then answer should be made that, by the laws of China in money claims the evidence of written documents and of the middle men are necessary to substantiate a claim. In this case the contract is lost, and the agent is dead, hence according to Chinese law, the case cannot be prosecuted.

VI.

VI. In your memorandum it is stated that at the trial of the case of Hill versus the heirs of Yang Yakee, the defendants had no evidence to bring against the justice of the claim.

In the printed minutes of the trial of this case all the arguments brought forward to show that Yang Yakee was liable for the claim were rebutted by the lawyers for the defense. But, as the question whether the Steamer "Keorjee" was or was not chartered for the "Ward Corps" was one which did not concern Yang Yakee, the lawyers for the defense stated that they would present no arguments on that point. You now seek to use this uncontroverted statement made at the trial to establish the fact that the Steamer was chartered for the "Ward Corps". But you

overlook

overlook the fact that the arbitration under Mr. Seward and the late Taotai Wu decided that this claim ought not to be paid, which is of itself conclusive proof that the "Keoyew" was not chartered for the "Ward Corps". Hence what matters it whether the defence did or did not rebut the evidence produced at the trial?

VII. Your memorandum states that I reported the capture of the "Keoyew" by the rebels to Mr. Seward in a despatch in which she is mentioned as the "Chinese steamer "Keoyew", and that I recaptured and repaired her and used her for two years, and that this is proof of her use by the "Ward Corps".

At the time referred to, I was Governor of Kiangsu and had control of all matters within

that

that province. I could not permit any vessels whether owned or used either by Chinese officials or people to fall into the hands and serve the purposes of the rebels. When I heard that Burgevine had headed a band of rebels and seized this steamer how could I do otherwise than to report the fact and take measures for her recapture? If the fact that I mentioned her as the "Chinese Steamer Kenjew" be cited as evidence that she was used by the "Ward Corps", this is a far fetched argument. For the expression "Chinese Steamer Kenjew" does not necessarily imply that vessel in question was a Government Steamer. It would also apply to Steamers owned or used by Chinese subjects. Hence how can this simple expression be held to show that the "Kenjew" was

was used by the "Ward Corps."

Still further, at the time when I was Governor of Kiangsu the accounts for all supplies of every sort and of vessels and arms were in the hands of proper officials, and all accounts whether due to Chinese or Foreigners were adjusted and paid. And accounts for small steamers which had been used by the "Ward Corps" and captured by the rebels were put into the hands of Wu Tao-tai and others with orders to close them up. Now can it be that after a lapse of twenty years the account for the single steamer "Kerjeo" is left unsettled? I do remember that after the capture of the "Kerjeo," I myself led troops that after a severe struggle and with the loss of many lives, recaptured her. The event is talked about among the troops

to

to this day, and stirs up their spirits. After her recapture I did repair and use her for two years. What has that to do with Hill? I captured her from the rebels and not from him.

The foregoing arguments are all supported by careful examination of the facts and records in the case, and show that, even had there been no arbitration by Messrs Cunningham and Ambury. Hill could not prosecute his claim against Yang Yaku, and still less against the Government of China.

But you inform me that your Government, after a careful examination of the case, has decided that the claim as set forth by Mr. Hill is just and valid, and furthermore that he is entitled to interest at the

the same rate as fixed upon in the "Ward claims." It can only be that this decision has been arrived at upon a hearing of only Mr. Hill's side of the case, and not upon a careful consideration of all the records. In no Government does such a procedure prevail.

I must beg you to give careful thought and unbiased consideration, in a friendly spirit to the arguments advanced by me. In case you do this, you will see that my decision, in accordance with the award of Messrs. Cunningham and Hanbury, that this claim ought not to be paid, is manifestly just and right.

And your Government with its high reputation for good faith and integrity certainly cannot consider my arguments as of no weight.

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And your Government with its high reputation for good faith and integrity certainly cannot consider my arguments as of no weight.

Inclosure 3.

Mr. Holcombe to A. E. Li.

Informal. January, 23rd, 1883.

Y. E.

I have had the honour to receive your note of the 20th instant covering a memorandum in the "Ward" and "Kerrison" claims.

I gather from it that you propose in the "Ward claims" to pay the entire principal amount claimed, with interest at only 5%. As this rate is only one half of that claimed by my Government, your proposition must be modified, and the higher rate of interest be allowed before these claims can be disposed of.

In the "Kerrison" claim Y. E. argues that neither principal nor interest ought to be paid. You bring forward several arguments in support of this view, the most

important

important of which is that the steamer "Reorjeor" was not used by the "Ward Corps". If this statement be correct, how is it that Wu Tao-tai paid bills for the expenses of the "Reorjeor", the receipts for which are in my hands? And how could the Southern Superintendent voluntarily acknowledge and declare, as he did in official despatches now in my possession that this steamer was used by the "Ward Corps"? Since the documentary evidence on these two statements is in my hands, what useful purpose can be served in arguing the point?

The vessel in question was unquestionably used by the "Ward Corps", and her Charterer was undoubtedly Yang Fake.

Hence the Charter party bore a private and not an official seal.

seal. As the "Ward Corps" made use of this vessel, the "Ward Corps" ought undoubtedly to have paid for her use and loss. But when Wu Taotai refused to make payment, then the liability naturally came upon Yang Take. And when the heirs of Yang Take refused to settle the claim, then certainly the Government should be requested to make the payment. This is a well established mode of procedure, and in no wise contrary to reason.

If, as is claimed, because the Charter party bore no official seal, the "Ward Corps" ought not to pay the debt, and because the Charter party is lost, Yang Take ought not to pay the debt, then the situation is simply this - that the "Ward Corps" were to have the use and benifit of

the

the "Keorjeo" without payment, and Yang Takee was to be allowed to escape responsibility for his own act, and thus Mr. Hill, who has invested his own funds to a large extent is forcibly deprived of both the money invested and all return for it. It appears to me that such a line of action is inconsistent with equity and justice.

But in coming to Tientsin upon this business, I was led by the hope of reaching an honourable and satisfactory adjustment of these claims, and with no desire to become involved in a controversy. And while, were I to take up each point found in the Memorandum of Y. E. I should be at no loss to controvert each one of them, at the same time I fear that by becoming involved in such a controversy, I should not

expedite

expedite the settlement of these claims. Hence, without entering at the moment upon a discussion, I propose, first, to have a personal interview with H. E. at such an hour to-morrow as you may choose to name.

H. E. has always had closely at heart the good relations and warm friendship of our two Governments, and you have by your distinguished abilities in solved questions with other Governments of far greater difficulty than is presented in these claims. Let me beg of you therefore to take these small matters into careful consideration, and you will even more easily be able to reach a conclusion which will cement our friendship by putting these long standing questions out of the arena of discussion.

I have &c

(Signed) Theodore Holcombe.

Inclosure 4.

H. E. Li to Mr. Holcombe.

Informal. January 23rd, 1883.

I have had the honour to receive your note remarking, in reference to my memorandum, that it is not desirable to take up the several points contained in it since by becoming involved in such controversy you would not expedite the settlement of the claims, and hence you propose to have a personal interview with me upon them to-morrow.

In reply I beg to state that since it is proposed to close up these affairs it was necessary to deal with them in a spirit of justice. My memorandum was simply a discussion of the claims upon their merits with due regard to reason and the facts of the cases, and with no desire for controversy

As

As you propose a personal interview, I beg you to call at 3 P. M. to-morrow.

With compliments.

Enclosure 5.

"Ward and Keorjeor Claims."

Precis of conversation with N. E. di, held on Wednesday, — January, 24th, 1883.

Mr. Holcombe introduced the subject by saying that he had considered carefully N. E's — memorandum of the 20th instant, and noticed with satisfaction — that a proposition looking to the payment of the "Ward" claims had been made. It was therefore only necessary for him to discuss with N. E. the question of the rate of interest to be allowed in those claims, and certain arguments raised by N. E. against the "Keorjeor" case.

Taking up the interest question first, Mr. Holcombe said that N. E. — had advanced three arguments —

against

against the payment of the rate demanded by the United States. — These were (1st.) that in 1843. China had made a treaty with England by the terms of which she was to pay interest at 5% on a certain indemnity; (2nd.) that in the United States the law allows only 6% interest; and (3rd.) that by Chinese law, upon any debt the interest may never be allowed to exceed the principal.

Mr. Holcombe said that none of these arguments had any bearing or weight upon the question at issue. In regard to the first, it is true that 5% was the interest rate agreed upon between the Governments of China and Great Britain in the so called "Opium indemnity". But it was a rate fixed and mutually accepted at the time the debt was incurred, and could neither serve as a —

precedent

precedent nor bind others than the parties who originally accepted it, and further it could bind them only as regarded the interest rate chargeable upon the particular debt in question.

A. E. said it was a reasonable rate and hence ought to be accepted as a precedent.

Mr. Holcombe replied that while it might have been a reasonable rate in view of the peculiar circumstances of the case to which it applied, it was not a reasonable rate generally speaking, and could not be accepted in the "Ward" claims. It was far below the ruling rate of interest in money obligations in China at the time, and far below the average rate for the past 40 years or for the present. No banks or capitalists in China to day would loan money at

any

any such rate.

Passing to the second argument Mr. Holcombe said that N. E. was misinformed as to the legal rate of interest in the United States. That question was one which was not dealt with by the General Government, but which each State regulated for itself, and the legal rates were different in the different States. At the time the debts now known as the "Ward" and "Kenyon" claims were incurred in some of the States even a higher rate, than the 10% now demanded by the Government in these claims, was allowed by law. Further these obligations were incurred not in the United States but in China, and local rates of interest in the former country could serve in no way to determine the rate properly chargeable here.

N. E. said that he knew nothing personally about the rates current

current or legal in America, but he invented this argument because his lawyer said it was a good one.

Mr. Holcombe said in regard to the third point, he did not know that any statute in China forbade an increment of interest in excess of the principal. The same statement had been made to him, by the Nanking Viceroy in 1877., and he had replied then, as he must now, that he could not be guided by any such rule, that these were not debts between Chinese subjects but between the Chinese Government and citizens of the United States and neither local nor general Chinese regulations could be accepted as finally governing the question at issue. The rule also seemed to work grave injustice. By it whenever the interest equalled the principal then interest must cease and the creditor could obtain no further compensation for the use

and

and value of his money.

N. E. after some hesitation admitted that in cases where the interest had accumulated until it equalled the principal sum, if the debtor still neglected to cancel the debt, a new principal was obtained by adding the first principal and interest together, and subsequent interest was computed upon that

Mr Holcombe then said that the three points raised by N. E. had really no bearing upon the question at issue. There was, however, a general rule, universally accepted, for deciding the rate of interest justly and in Equity chargeable upon any particular debt, and that that rule must be allowed to govern in the present instance. The rate of interest chargeable upon any particular debt is to be decided by the ruling Commercial

commercial rate in the money market at the time and place when and where such debt was incurred.

It is a fact well known and susceptible of easy proof that at the time the "Ward" and "Kerr" claims originated the banks and money lenders at Shanghai obtained from 12% to 15% per annum in interest; that no bank loaned its funds for less than 12%, and that private capitalists obtained even higher interest than 15% and on good security.

M. E. insisted that no rates as high as those mentioned ever ruled at Shanghai.

Mr. Holcombe replied that they did; that the claimants had a certificate to that effect from the several Shanghai banks. The question was one susceptible of easy proof, and needed no argument. Even now the Banks

in

in China claim nearly the lower of the two rates named. Originally the claims had been reckoned at 12% interest, but the Government, anxious to make all possible concession to China consistent with justice toward its own people, had only demanded 10% interest. From that rate Mr. Holcombe was not authorized to recede. A. E. proposition to pay 5% interest could not be accepted.

Passing then to the "Kenjew" claim, Mr. Holcombe said that in A. E's memorandum there were two statements made in which what was assumed to be United States' law was brought forward as a bar to all responsibility on the part of either the Chinese Government or of the heirs of Wu Tao-tai and Yang Yake for these claims, which he must notice. The first of these was brought forward as a bar to all liability for either claim. It declared

declared that by the Statutes of the United States a son is not responsible for the debts of a deceased father and hence since Wu Taotai is dead, and his son is dead also, and since Yang Yakee is dead, neither of these claims can, by American law, be paid. Mr. Holcombe saw there was no such statute either in the laws of the United States nor of any particular State.

N. E. replied that he knew nothing about it. His lawyer had told him there was such a law and he had inserted it in his memorandum. He asked Mr. Holcombe to speak to the lawyer, who was present, on that point.

Mr. Holcombe turned to the lawyer - an English speaking Chinese, but a British subject - and repeated what he had just said. Mr. Ng Choy. - The lawyer replied that he did not mean to claim that there was exactly such an -

article

article of written law, but to assert it as a broad principle of common law.

Mr. Holcombe rejoined that it was not so much a principle of common law as a matter of common sense that a son is not responsible for the debts of his father, be the latter alive or dead, unless the father and son were in business partnership, and then only for partnership debts. One might as well sue John Smith for the debts due by Richard Jones. But the point absolutely no bearing upon the questions at issue. But there was a well known and established principle in Common law which bore directly upon the case in point. Mr. Holcombe asked Mr. McChord why, while he was coaching N. E. upon foreign law, he did not mention this principle.

Mr. McChord asked to what principle Mr. Holcombe referred.

Mr.

Mr. Holcombe replied to the well known and universal rule that debts due by any person at his death constitute a first lien upon his estate and that the heirs at law can only inherit so much of the estate as may remain after all such debts are paid.

Mr. Ng Choy remarked that the heirs were not obliged to receive any portion of the estate.

Mr. Holcombe assented but said this also had nothing to do with the subject, and added that it was a well known fact that Wu Tautai and Yang Taku each left property to the amount of several millions of dollars, that the heirs took possession of this property and were to-day in the enjoyment and use of it.

Mr. Holcombe then turned again to H. E. and repeated what he had just said to Mr. Ng Choy.

H. E.

N. E. laughed and said:-
"I knew there could be no such
"law as he stated in the United-
"States, there is none in China,-
"but he told me there was such a
"law and so I quoted it in my
"memorandum."

Mr. Holcombe then went on to the second point made by N. E. in quoting United States law. He said he referred to Article V. in the memorandum in which N. E. claimed that there was a statute of limitations in United States law under which no creditor could bring suit against a debtor after a period of six years, and that, hence, as Mr. Hill had allowed his claim to lie dormant for eleven years, it could not be revived.-

Mr. Holcombe pointed out,- first, that so far as he knew,- there was no such general statute of limitations, such matters being

left

left by the general Government to each State to regulate for itself; second, that, were there such an Act, it would not apply since the claim is taken up by the Government in a diplomatic manner, and as a necessary result of a failure of justice at Shanghai; and, third, that in point of fact, Mr. Hill had not allowed his claim to lie dormant for eleven years, or even for two.

Mr. Holcombe then reviewed the history of the "Reorier" claim, and showed that, allowing for short intervals of time caused by Mr. Hill's absences from China, he had pressed his claim first against Takee, who had promised payment, then against Takee's heirs, and, failing justice there, against the Government of China from 1863. down to the present moment.

M. C. turning to the papers replied:- "But the "Reorier" was "lost in 1863. and Mr. Hill brought "suit-

"suit against the heirs of Lakee only
"in 1874. Isn't that 11 years."

Mr. Holcombe replied by pointing out that in the meantime Mr. Hill had been pressing his claim privately with Lakee's heirs, that he continued to do this for so long a time because he had been on the most friendly terms with Lakee, who had admitted the debt, and he was hence naturally reluctant to take legal measures to enforce payment.

N. E. would not admit this, but insisted that Mr. Hill had allowed his claim to lie dormant for eleven years, and that it could not justly be revived. He added that a still stronger and indeed insurmountable objection against the claim was found in the fact that it had been presented to the Arbitrators, Messrs. Cunningham and Hanbury and by them had been rejected.

Mr.

Mr. Holcombe replied that he was just coming to that. It was quite true that those gentlemen had rejected Mr. Hill's claim, and, if such rejection had been based upon the merits of the claim, it would never have been revived. But the circumstances and the facts of the case all showed conclusively that the rejection of the "Kenyon" claim did not depend in any degree upon the merits of the demand. These arbitrators were by the specific terms of the agreement signed between Wu Taotai and Consul General Seward limited in their authority to debts contracted by the former as the agent of the Chinese Government. They had absolutely nothing to do with claims against other parties. Neither Mr. Hill, nor any other person acting for him, had ever claimed that Wu Taotai was responsible for the

Charter

charter and use of the "Keowee". The vessel was hired by a different person, by Yang Taku, by whom the charter party was signed. That document did not even contain the name of Wu Taotai. Hence, and of necessity, when the arbitrators examined the papers in Mr. Hill's claim they disallowed it at once, as against Wu Taotai, not because the claim was fraudulent, but because it rested against a person with whose affairs they had no concern. The submission of this claim to the arbitrators was a serious mistake on the part of Consul General Seward, which he afterwards and repeatedly acknowledged.

N. E. said he could not admit this. The arbitrators had simply placed this item in the list of disallowed claims, with no explanation whatever. If it had been a just demand but against

a

a different party, why did they not state the fact?

Mr. Holcombe said that they might have done so, but that it really was not their business. They had given no reasons for their action in disallowing any of the claims, but simply handed in two Schedules, one of claims due and one of claims disallowed.

N. E. said that if the demand had been just but against another person than Mr Taotai, the arbitrators would have said as much. But they had rejected it, and hence it could not be paid. He was willing to accept the arbitrators award, and pay the amounts declared by them to be due, with a reasonable rate of interest, but the United States ought not to insist upon that award in one case and reject it in the other. He saw no way in which the "Kerosene" claim could be paid.

Besides

Besides it was rejected when only Taels 12,000.- was demanded. But now the amount has been changed to Taels 54,000, with interest so that the sum total amounts to nearly Taels 160,000.- How can the justice of such a demand be sustained in the face of the arbitrators' decision.

Mr. Holcombe repeated his statement that the rejection of the claim rested upon grounds which touched in no way the validity of the demand itself, and hence that rejection had no concern with the present discussion. As to the increase in the amount it was easily explained. When the claim was submitted to the first arbitration it was still in the service of the Chinese Government, and was for the four months use during the time when General Burgevine

was

was in command of the Ward-
Corps. This was necessary under
the terms of the first arbitration
as N. E. would readily see from
the original document now in
Mr. Holcombe's hands. At a later
moment when the claim was brought
forward again, subsequent to the
capture of the "Kenrick" by the rebels,
it was of course made out for the
whole term of her use and the
amount of indemnity as fixed in
the Charter party.

N. E. then said that there
was no proof that the "Kenrick"
had been used by the "Ward" Corps.
Yang Take was a very wealthy-
man, conducted a large business,
owned several steamers, and, even
if he chartered the steamer named
there was no evidence to show —
whether he chartered her for his own
use or for the Government service,

&c

He added that Mr. Holcombe was not warranted in drawing the inference from his despatch to Mr. Seward reporting the capture of the Chinese steamer "Kenrick", that this phrase proved that the vessel named was in the Government service. There was no evidence to show that the Government ever used that steamer.

Mr. Holcombe replied that he had not maintained that A. E's expression "Chinese steamer "Kenrick" proved that the vessel so named was used by the Government. But he was prepared to insist that the expression proved that this vessel, of which Mr. Hill was the undoubted owner, was at the moment of her capture under the Chinese flag, and hence in the service of either the Chinese Government, or of Chinese subjects.

A. E. admitted this.

Mr.

Mr. Holcombe went on and said that the facts briefly were that - Yang Yakee chartered a steamer - known as the "Keorjeor" of her owner Mr. Charles E. Hill for a specified sum per month, and a specified indemnity in case of her loss or capture by the rebels. At the expiration of 14 months she was captured, — under the Chinese flag. Her charter money and indemnity for loss then became due. And no portion of this sum had ever been paid. - While the fact of her being the — "Chinese Steamer "Keorjeor" does not prove conclusively that she was a Government vessel at the moment of her capture, other evidence does show beyond a doubt that she was in the Government service at that time and had been so employed during the entire 14 months preceding. Mr. Holcombe then took up the printed evidence

Taken

taken in the trial of Charles E. Hill. versus Yang Yakee and pointed out the evidence of Messrs. Ashley, Rowe, Forester, Baffey, Mac. Laughlin, Silverthorne, Rhode, and others, all officers of various grades in the "Ward" Corps", and all of whom testified positively to the fact that the "Kenjeu" was used exclusively by the "Ward Corps" from June 1862. to July 1863, both months inclusive. Special attention was called to the evidence of Dr. Jamieson - a witness for the defendant, who declared that the "Kenjeu" was used by the "Ward Corps". Mr. - - Holcombe also quoted the language used on this point by the Viceroy at Nanking in 1877., and in - which he said that he was - "entirely satisfied that the steamer "was chartered by Yang Yakee for "the Chinese Government; though "all the world denied it, he was -

sure

"owe of the fact." Mr. Holcombe -
referred also to the written admission
of the same fact by the Nanking Viceroy.

N. E. di replied that Mr. Holcombe
had complained that the Viceroy named
mismanaged the business in 1877.
He agreed with Mr. Holcombe on
this point, but not on particulars.
N. E. added:- "You think he
"did not admit enough, while I
"think he admitted too much."

N. E. then went on to say
that the testimony was all un-
reliable and untrustworthy. The
arbitrators had decided that the
claim ought not to be paid, and
that was final. He added that
if Mr. Holcombe would not accept
that decision, he could pay the
amount offered at Nanking in
1877. Taels. 26,900.- but nothing
more. The amount claimed
was outrageous. Even if Yang
Yuke did charter the steamers,

he

he never could have agreed to pay Taels. 3000.- per month for a steamer for which only Taels 12,000.- as indemnity was asked, and - which Mr. Hill had agreed to sell for Taels. 8,500 to Yang Taku himself. The charter was excessive and - could never be allowed.

Mr. Holcombe explained in reply that Mr. Hill did not offer to sell the steamer by itself to Yang Taku for Taels 8,500, that a - number of other articles were - included in a general bargain which however was never completed. He said further that A. E. must - remember that at that time steamers of the "Kowjew" type were very few in China, and as she was of special value a special price for her use was properly asked and accepted. The Charter party stated the rate, and this rate would be adhered to. He also called attention to the

testimony

testimony of Mr. Edward Cunningham, one of the arbitrators, whom N.E. had declared to be an honest man, and who testified under oath that "Taels "3,000.- per month was not exhorbitant "for such a steamer at that time; and to the testimony of another "witness who swore;- "I do not "think Taels 3,000 per month an "exhorbitant price to charter such "a steamer as the "Kenjew". She "might have earned three or four "times as much if used in trans- "porting silk."

N.E. said, throwing the papers in his hand upon the table;- "The testimony is all "unreliable, and not to be trusted. "There is no use in arguing "these cases on their merits. We "shall never reach a conclusion "in that way. Let us state that, "and see if we cannot arrive at "some friendly arrangement."

To

To which Mr. Holcombe replied, laying down his papers:- "Very well! "I shall be glad to listen to any "proposition which Y. E. may have "to make in that spirit."

N. E. then, after a moments hesitation said that the Chinese Government was aware of the existence of a large surplus of what was known as the "Canton Indemnity "Fund" in the Treasury of the United States. N. E. had known for years that this surplus existed, said to exceed $600,000 in amount. While he recognized the fact that China had no legal claim upon the United States for this surplus, yet, he, in common with all the Chinese officers of State had felt that in equity and in good faith it ought to be returned. He knew that several Presidents had advised Congress to refund this amount to China. The matter had been so brought

brought to the notice of General Grant when in Tientsin in 1879. and he had said plainly that the money ought to be returned to China, and had promised to use his influence to secure action to that effect. China was poor and much in need of funds to carry out various schemes of national improvement and progress. Still — nothing had hitherto been said by the Government about this surplus, nor would it now be brought forward, were it not that information had been received that a similar surplus had been returned to Japan. China had given more proofs of her friendship to the United States than Japan had, and it was only natural that she should feel hurt to learn that the Japanese — surplus had been returned and no action taken to return a surplus of exactly similar to China. He had a proposition to make for a friendly settlement of the "Ward" and "Kearsarge" —

Claims

claims, and it was as follows:-
"Let the United States return the
"surplus of the Canton Indemnity
"to China, and China would then
"pay these claims, principal and-
"interest." In this way all matters
would be disposed of in a friendly
and just manner.

Mr. Holcombe replied that
he was sorry that N. E. should
attempt to connect the "Ward" and
"Kerjeu" claims with the Chinese
Indemnity. There was no natural
relationship or similarity even-
between the two questions. This-
same proposition had been made
to him by the Ministers of the Foreign
Office in January, 1882, when he was
in Charge of the Legation, and he had
at once replied that he could not
even discuss the proposal. He-
must make the same response
now to N. E. He only knew
by rumour, and not officially

that

that such a surplus existed, and had not the remotest idea as to the amount, whether it was a thousand or a million dollars. Neither the Legation nor the Secretary of State had control of the Fund in question. The President himself could only advise what disposal should be made of it. The whole matter rested in the hands of Congress, and the surplus, whatever it might amount to, could only be disposed of by, and in accordance with the will of, the legislative branch of the Government. H. E. would therefore see that Mr. Holcombe could not listen to his proposition, and it was better that this should be frankly stated and clearly understood at the outset. Any misunderstanding upon this point would be dangerous to all parties.

H. E. said that he had been told that the control of the

Chinese

Chinese Indemnity was vested in Congress. But he had his positive instructions from Prince Kung, - which were, 1st. to arrange if - possible that the claims should be paid out of the Surplus Indemnity, the balance left being paid over to China, or, failing this, 2nd, not to pay anything on the claims unless a - promise or guarantee for the re - funding of the surplus indemnity was secured from Mr. Holcombe.

Mr. Holcombe replied that he failed to see how such instructions could be given H.E. consistently with the express conditions under which Mr. Young had consented to a - reference of the claims to Tientsin. However that might be, the terms proposed were absolutely inadmissible, and adherence to either of them meant an immediate cessation and entire failure of negotiations. Even if the first proposition could

be

be accepted, it would be an undignified and dishonourable adjustment. For the claims constituted a just and honest debt due by China, there was, on the other hand, no legal obligation resting upon the United States to return the surplus in question. If then the latter Government were to deduct the claims from the Surplus Indemnity and return the balance, if there were any, to China, it would be equivalent to saying to China:- "You wont pay your honest debts "due our people. We have some "money which does not legally "belong to you, but as we dont "want it, we will first take out "what you owe and wont pay, "and give you what is left." Neither Government ought to consent to any such undignified arrangement as this.

N. E. interrupted here and said:-

said:- "Give us the money, and
"we will attend to our dignity.- We
"dont care about that."

Mr. Holcombe continued by-
saying that there was, in his opinion
but one wise or proper course to be
pursued. Let China pay at once
these claims honestly due and-
contracted in good faith, and then
she may safely trust the sincere-
friendship of the United States to do
whatever reason or comity may
demand.

M. E. then went on to say
that he was exceedingly anxious
to have these claims disposed of.
They had existed as a serious-
source of friction too long already.
Yet he had his instructions and
must abide by them. Could not
Mr. Holcombe give him some-
promise in writing that the-
surplus indemnity should be-
repaid to China. He was sure

that

that the Secretary of State would approve such a course, and, with such a promise, he would be able to pay the claims at once.

Mr. Holcombe replied that he could not for a moment think of giving such a promise either in writing or verbally. It would be worthless if given, would only bring merited censure and disgrace upon Mr. Holcombe from his Government and add a new complication to the business under discussion. It would be promptly repudiated at Washington, and, hence, not worth the paper upon which it was written. What N. E. had said about the Canton Indemnity would of necessity be embodied in Mr. Holcombe's report and laid before the Secretary of State. The Legation might possibly go a step further, and call the attention of the Department of State to the feeling of the Chinese Government

in

in regard to the surplus of the Indemnity, and suggest that he take any measures that might seem appropriate. But beyond this nothing could be done.

N. E. asked Mr. Holcombe if he would be willing to write out what he could say in the Canton Indemnity Fund and submit it to him.

Mr. Holcombe replied: - "Certainly, I will do so with "pleasure. But it will be in - "substance only what I have said "to you to-day."

N. E. asked Mr. Holcombe to submit what he could say in writing. This Mr. Holcombe promised.

The interview then terminated.

(Signed) Chester Holcombe.

Tientsin, January, 24th, 1883.

Note. The substance of what is recited above as said by Mr. Holcombe in regard to the Surplus indemnity, was submitted in writing to M.E. two days later - January, 25th. It was rejected by him as of no use, since it did not cover the promise which he had been instructed to demand

(Sd) C.H.

Inclosure 6.

"Ward" and "Kearney" Claims.

Precis of a conversation had between H. E. Li and Mr. Holcombe, Monday, January 29th, 1883.

H. E. opened the discussion by inquiring why his proposal to settle the "Ward" and "Kearney" claims upon the basis of 6% interest for the former and the same rate upon the principal sum conceded by the Viceroy at Ranking in 1877 in the latter had not been accepted. He had sent the Customs Intendant to make this proposal as a further concession, and in proof of his great desire to see the business amicably arranged. The rate of interest named was higher than China paid Great Britain,

as

as high as the legal rate in the United States, and China could not be expected to pay any more. The offer was a generous one and should have been accepted.

Mr. Holcombe replied that, so far as the rate of interest was concerned, his Government had decided upon 10% after careful and repeated examination of all the facts and circumstances, and he had no authority to reduce the rate. It was below the average commercial rate at Shanghai at the time these obligations were incurred, and hence could not be considered excessive. As to the "Kenjiro" claim, the rate of interest as proposed was not only inadmissible, but the principal sum allowed in N.E.'s proposition was only Tls. 15,000.- instead of Tls. 54,000.- claimed by the United States.-

N. E.

N. E. could not expect us to accept what was only a trifle more than one fourth of our just demand in that case. The instructions of the Department of State were even more clear and positive in the "Reuter" than in the "Ward" claim, and nothing less than the principal sum claimed - Eads, $4000. - with interest at 10% per annum could be accepted. Mr. Holcombe reminded N. E. that he had been informed in advance that it was useless to make his proposition, as, in no event, could it be accepted.

N. E. then went on to say that it was useless to talk about the "Reuter" claim since I was prepared to make the promise in regard to the Canton Indemnity which he understood that I could not make. He believed personally that Mr. Hill had a just claim

and

and he would be glad to pay it. But the arbitrator had rejected it, as the documents proved. And he had been positively instructed not to pay anything on either demand without, either arranging that the claims should be reckoned in offset with the surplus indemnity, or a guarantee for the payment of the latter given. In view of these facts it would be more than his official position was worth to pay the "Kenyon" claim without securing one of the two concessions named above. N. E. went over this ground several times and always ended with the remark that it was simply impossible to settle the "Kenyon" claim. He dared not do it in violation of his instructions, and any further discussion of the question was quite useless. But he added that, although directed to

pay

pay nothing except under the conditions named above, he would assume the responsibility of the payment of the "ward claims" provided an understanding could be reached as to the proper rate of interest. The amounts involved were comparatively small, the principal sums had been decided as justly due by the arbitrators, and, whatever the Chinese Government might think about the abstract justice of the "ward" claims, he recognized the fact that the United States would under similar conditions, abide scrupulously by an arbitration, and he proposed to do the same thing. The "Kenyon" claim was in a different situation. It had been rejected by the arbitrators, the amount demanded was very large, and unless it could be

settled

settled by the payment of a nominal sum such as was offered at Rankin in 1877., he could do nothing. He urged that the "Kenjew" claim be put aside for the moment, and offered 7% interest on the "Ward" claims.

Mr. Holcombe expressed his disappointment at this language on the part of N. E. and urged the immediate disposition of both matters.

Considerable argument on either side followed without result, N. E. adhering most positively to his refusal to do anything with the "Kenjew" case.

At length Mr. Holcombe said that he regretted exceedingly the attitude N. E. had assumed, and was sure both the minister and the Government at Washington would be greatly disappointed. At the same time he did not

feel

feel at liberty to refuse acceptance of the money due on one claim, - because H. E. did not see his way clear to meet the demands of justice in the other. But the rate of interest named 7% was less than that demanded by the Government, and could not be accepted.

The old argument on the interest question was then gone into again, with the result that H. E. at length offered 8%, adding that this was an extreme limit beyond which he would, under no circumstances go.

Mr Holcombe repeated his - declaration that he was not able to accept any rate of interest less than that demanded by the Government. That rate - 10% was less by 2% than the lowest commercial rate at Shanghai at the time the debts were incurred, and interest ought to be computed on that basis.

H. E. -

N. E. replied that it was useless to argue the question. China only paid 8% on her bonds, and no Government would pay a higher rate to private creditors than on a public loan. Even this rate was too high. China could borrow all the money she wanted at 6% or even 5%. The last loan effected by Tso Chung tang in 1881 was made at a needlessly high rate of interest, and he had at the time memorialized the Throne protesting against it.

The interest argument was here gone over again, and, finally, Mr. Holcombe, seeing that N. E. was immovable said that he had no power to close the "Ward Claims" at a lower rate of interest than 10%, but if N. E. would agree to pay 9% he would telegraph the fact to the Secretary of State and ask instructions.

N. E.

N. E. refused and another argument followed going over the old ground to no purpose. N. E. urged Mr. Holcombe to telegraph his offer of 8% to the Government, but said that in no event would he pay a higher rate.

Finally Mr. Holcombe consented to telegraph N. E's proposition to the Secretary of State, and request instruction from him.

With this understanding the interview terminated.

(Signed) Chester Holcombe.

Scientia, January. 31st, 1883.

Omit Inclosure 7.

Telegram.

Tientsin, January 30th, 1883.

Secretary of State
Washington.

Ward claims Viceroy Li offers principal and interest at Eight. Shall I accept Cable response

(signed) Holcombe

Inclosure 8.

H. E. Li to Mr. Holcombe.

Tientsin, February 4th, 1883.

I have received a letter from the Foreign Office in the matter of the "Ward" and "Keenjer" claims at Shanghai which have lain unsettled for many years. This letter stated that Mr. Young the United States Minister had consulted with that office and it had been arranged to send you to Tientsin to discuss and settle these claims with me. This letter also covered a copy of the records and correspondence in the case. Shortly after receipt of this letter you arrived in Tientsin and we have had repeated interviews for the discussion of the business in hand, and you have also laid before me a memorandum with certain papers upon the business.

I have given a careful and searching examination to all the records in

records in these claims from which it appears that they have remained unsettled for the past 19 years because of the lack of any documentary evidence to prove them genuine. Wu Taotai and Yang Taksi have also been dead many years and hence there is no way of separating the false from the true. There is nothing but a contract, signed and sealed officially by Wu Taotai and Consul Seward, under which Messrs. Cunningham and Hanbury were requested to arbitrate these claims, and the award as made by them which can be in the least degree relied upon as furnishing evidence in the premises. The testimony brought forward at a later moment in the suit brought by Mr. Hill at Shanghai is nearly all hearsay and not deserving of credence and according to Chinese law these claims ought not to be paid. Upon the 20th. ultimo I forwarded a memorandum

to

to you taking this ground and supporting it by sound argument

But you have daily urged upon me the importance of settling these long standing claims in view of the friendly relations existing between our Governments, and you have pointed out that manifestly no good end is to be served by the continued existence of these sources of embarrassment and friction, and hence you have urged me to devise some satisfactory basis of settlement. Mr Young has also written me expressing the hope that I should be able to open some way to the disposition of this business.

As the result of our frequent and careful discussions I am now prepared to pay the balance of the sum declared to be due and owing in the "Ward" claims by the arbitrators, Messrs. Cunningham

Cunningham and Hanbury, — namely Taels 10,903.86 Shanghai Sycee and $5,694.37 with interest reckoned from March, 1st, 1864 to January, 15th, 1883 being 18 years 10½ months (321 days) at the rate paid by China on her foreign loans, that is to say at 8% per annum. This will in amount reducing the dollar amount to taels at 72 to Shanghai Sycee Taels 37,665.628. This sum ought legitimately to be paid by the heirs of the late Taotai Wu. But from having been in command in past years at Shanghai I know well that Wu Taotai suffered much trouble and pecuniary loss in connection with the accounts of the "Ward Corps", and he ought to be pursued no further in this business. Inasmuch as the arbitrators decided plainly that there were debts due by the "Ward Corps"

Corps" and hence by the Government of China, the sum named above will be paid by me at once out of the unpublic allowances for military expenditures as a full and final settlement of the "Ward" claims.

In the "Keorjee" claim, I must beg a short delay, when we will take it up and dispose of it.

I make these propositions in consideration of the importance of maintaining good relations between our two Governments and in view of Mr. Young's request that I would find some way by which to dispose of these questions.

Mr. Young also said in his letter that he had requested you to consider well and in the most sincere and friendly spirit any new point or argument that might arise in my mind, in the hope that all these matters might be disposed of. Now I have heard that your Government, after paying

paying all the claims in the so called "Canton Indemnity Fund", - has a balance in hand amounting principal and interest to more than $600,000.-. And it appears to me that, in view of the high estimate in which your Government has always held its own good faith, this money ought to be returned to China. In May, 1879. while General Grant was in Tientsin a memorial to this effect was presented to him which he - endorsed, admitting that this sum ought to be refunded to China, and promising, upon his return to the United States to do what he could to secure Congressional action to that end.

I have also heard that the necessary steps have been taken to return a similar surplus from an indemnity to Japan.

Certainly

Certainly the surplus Chinese indemnity ought to be dealt with in the same manner with that secured from Japan.

I therefore most earnestly beg that Mr Young and you will take an early opportunity to represent this matter to your Government and to request that out of regard for our good friendship this surplus may be speedily returned. Thus, on either hand, all money claims will be disposed of.

If your Government delays to refund money which ought to be paid back to China, and, on the other hand, insists that Chinese officials and merchants shall pay claims that have been lying for many years for lack of sufficient evidence as to their authenticity, can such a course of action be called just and equitable?

equitable? I put this question to you in all fairness and honesty. Mr. Young and you are both sincerely anxious for the maintenance of the most cordial amity with China and I am sure it will afford you pleasure to do whatever may be possible in this matter. This I hope most earnestly that you will do.

A copy of this despatch will be forwarded to the Foreign Office at Peking.

Honourable Chester Holcombe
&c &c &c &c.—

Memorandum.

Memorandum of Amounts due to Citizens of the United States as fixed by the Arbitrators Messrs. Cunningham and Hanbury, in the so called "Hard" Claims, the amounts due to British subjects having been paid.

Principal

Taels 10.903 $\frac{86}{\text{u}}$

Mex $. 5.694 $\frac{37}{\text{u}}$

Interest.

Taels. 16,468 $\frac{716}{\text{u}}$

Mex $ 8.601 $\frac{53}{\text{u}}$ } being reckoned from March, 1st 1864 to January 15th, 1883, or 18 years 10½ months (321 days) at 8% per annum.

Total.

Taels. 27,372 $\frac{58}{\text{u}}$ Shanghai Sycee.

Mex $ 14,295 $\frac{90}{\text{u}}$

Mex $ reduced to Taels at 72

Taels 10,293 $\frac{048}{\text{u}}$.

Total

Taels 37,665 $\frac{628}{\text{u}}$ Shanghai Sycee.

—

Enclosure. 9.

Tientsin, February. 5th, 1883.

Received of H. E. Li Hung Chang.

Tcu - Tcu - Tcu - Tcu. -

by the hands of Mr Chang, the sum of taels thirty seven thousand six hundred and sixty five $\frac{628}{1000}$ — Shanghai Sycee as payment in full of all sums due and owing by the Chinese Government as principal and interest at Eight per cent per annum on account of the so called "Ward" claims.

It is however expressly understood and agreed that if, on receipt of telegraphic advice from the Secretary of State of the United States, he does not accept the proposed settlement upon a basis of 8% interest the money herein receipted for shall be returned and this receipt cancelled.

(Signed) Chester Holcombe.
Secretary of Legation.

Suite

Telegram.

Enclosure 10.

Washington 8th Feb.y 1883.

Holcombe – Tientsin.

Endeavour compromise
Hill claim sans interest.

Frelinghuysen.

Omit

Inclosure 11.

Telegram.

Teintsin, February 9th 1883.

Secretary State
Washington.

Table received will obey. May
I accept Eight interest award
claims.

Holcombe.

Inclosure 12.

Telegram.

Tientsin, February, 9th, 1883.

Secretary State
Washington.

Chinese wish offset Hill claim with Canton indemnity I cannot discuss last. If you can say Chinese Minister on payment Hill claim ought precede action said fund it will help business here answer cipher.

Holcombe.

over

Quick

Secretary State
Washington.

p. s r e h e b o d d
q p e m d k g i d r
u v w j o j d r u w
p o u u f w a u t h
j x r u a m v k e m
y g p d d p c a r r
z w x d c x p b y p
w w k w l g a u v d
k z r e o e g z p u
z i v v m q s r a r
p g k d y y c d g e
i k z y h h b k y e
m p u r p m j e z m
h a z k o u g i v r
i t b r o w b a r w
k k z j m e d z p l
m f i v t.

Holcombe.

Telegram.

Inclosure. 13.

Washington, 12th Feb. 1883.

Holcombe - Asuncion.

Cannot offset claim with indemnity - ask nine per cent interest.

Frelinghuysen.

Inclosure 14.

Telegram.

Tientsin, February 14th, 1883.

Secretary State.
Washington.

Ward claims Li refuses mine interest offers Eight-Shall I accept.

Holcombe.

Omit

Telegram.

Inclosure 15.

Washington.

Feb 17. 1883.

Holcombe.

Tientsin.

Insist on nine per cent.

Frelinghuysen.

Enclosure 16.

"Ward" and "Kenrick" claims

Precis of interview between H.E. Di and Mr. Holcombe had - February, 20th, 1883. -

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Mr. Holcombe informed H.E. that he had received a further telegram from the - Secretary of State which directed him to insist on nine per cent interest in the "Ward claims" H.E. replied:- "Whats I dont "understand what you mean. "The Ward Claims" were settled "finally three weeks ago at 8% "interest."

Mr. Holcombe:- "I beg your pardon "but Y.E. is mistaken. - "Three weeks ago Y.E. - "made me a proposition "to pay those claims at "8%

"8% interest. I distinctly informed
"Y.E. that I had no authority
"to close them at any less rate
"than 10%.- I said this to Y.E.
"several times. You must have
"understood it as you asked
"me to telegraph your proposition
"to the Secretary of State and I
"finally consented to do so. -
"Some of the members of your
"staff now present were witness
"to the conversation."

N.E.:- "You never said anything
"of the sort, and I never asked
"you to telegraph the Secretary
"of State. You settled the Ward
"Claims" positively with me at
"8% interest three weeks ago
"and I have paid you the -
"money nearly three weeks ago."
(Turning to one of his staff)
"Isn't it nearly three weeks
"since the money was paid?"

Answer

Answer:- "Two weeks ago."

N.E.:- "I paid you the money
"and have your receipt. -
"You agreed to settle the claims
"at 8% interest and now you
"may get out of the trouble with
"your own Government the best
"way you can."

Mr. Holcombe:- "Y.E. was distinctly
"informed three weeks ago -
"yesterday at the interview in
"which you preferred payment
"at 8% interest, that I had
"not the power to accept -
"your proposition. At your
"request I consented to telegraph
"the Secretary of State."

N.E.:- "I never heard you say
"anything of the sort."

Mr. Holcombe continued:- "If you
"did not understand me, why
"did you send some of the -
"members of your staff now
"present

"present to me nearly every
"day for ten days to inquire
"if I had received an answer
"to my despatch to Washington?
N.E.. "I never sent any one."
Mr. Holcombe:- "They said that they
"came under your orders.
"If I accepted your proposition
"why have I delayed for more
"than two weeks making reply
"to your official despatch of
"February 4th in which Y. E.
"made your proposition to
"settle at 8% interest in writing?
"Why did I not reply at once
"accepting your proposition?
"And why have I spent several
"weeks time and several hundred
"dollars in telegraphing the -
"Secretary of State regarding your
"proposition. If Y.E. understood
"that I had accepted your
"offer of 8% interest, why did
"you discuss the question of
the

"the rate of interest only a week
"ago to day? And why did you
"urge me to cable again upon
"the ground that I had not put all
"the facts under which your offer
"was made plainly before the —
"Secretary of State? Why did you
"not then refuse to discuss the —
"question and say that I had —
"positively accepted your offer?"

N. E. :- "I dont know anything
"about all this. I say the case
"is settled at 8%. and you
"say it isn't. You can get
"out of the difficulty with your
"Government any way you please.
"I have paid you the money, and
"have your receipt."

Mr. Holcombe :- "Has Y. E. that
"receipt here in your Custom."

N. E. "Yes. It is filed with the
"other papers."

Mr. Holcombe :- "Will Y. E. please
"send for it, and allow one

of

"of the gentlemen here, who -
"understands English to read
"and translate it for H.E.?"
N.E:- "no - The receipt is not
"here. I have sent it to the -
"Foreign Office at Peking."
Mr. Holcombe:- "The receipt bears
"on its face final proof that
"I did not accept your offer
"of 8% interest in the "Ward
"Claims". - For it says distinctly
"that" if the Secretary of State
"does not approve the proposed
"settlement at 8% interest the
"money herein receipted for
"shall be returned and this
"receipt cancelled." H.E.
"sent me the money in in
"opposition to my earnest
"and plainly expressed -
"desire. It was only after
"long urging on the part of
"your agent that I consented
"to receive it. I made a -
"mistake

"mistake in doing so. But I beg
"U.S. to believe that I have had
"too long an experience in the
"transaction of public business
"to allow myself to give an —
"unqualified receipt in the case
"in hand."

N.E:- "Well, you say the "ward
"claims" are not settled and I
"say they are. What do you —
"propose to do?"

Mr: Holcombe:- "My own course
"is perfectly plain. I shall
"reply this evening officially to
"your official despatch of Feb-
"ruary 4th., in which you —
"tendered payment of the "ward
"claims" at 8% interest, re-
"declining your proposition.
"I shall return the money —
"received, and request the —
"return of my conditional —
"receipt." And I shall return
"to Peking to-morrow.".

N.E.

N. E. "But I wont give you back
"the receipt.

Mr. Holcombe :- It is immaterial -
"whether you give back the -
"receipt or not. It shows on
"its face that it is not, under
"the circumstances worth the
"paper upon which it is -
"written. Y. E. has only to
"send for it to be convinced
"of this. You will act your
"own pleasure about returning
"it."

N. E. "I wont receive the money."

Mr. Holcombe. "Y. E. will act your
"own pleasure about that also.
"I have only a bank check,
"which has not been cashed.
"The money is not actually in
"my hands, and the check -
"will be returned.

N. E. "Well. I say the business
"is settled and I wont pay
"any more. What are you

going

"going to do about these claims."
"You have been at work over them
"more than 10 years, have you
"ever been as near a settlement
"as now?"
Mr. Holcombe:- "It is not for me,
"but for my Government, to
"decide what shall be done -
"about the claims. I have only
"to return to Peking, report
"the failure of my negotiations
"with Y.C. and go about my
"usual work. My Government
"will attend to the rest."
N.C. "Will you bring them up -
"before the Foreign Office again?
"They wont do anything. There
"is nobody in the Foreign Office
"any more."
Mr. Holcombe:- That is for my -
"Government, and not for
"me, to decide."
N.C. "Will you go to War"?
Mr. Holcombe:- "My Government
"will

"will decide what had best be
"done. But, with all due respect
"to H. E. – I must protest against
"both the tone and matter of
"your language. I come to
"Tientsin to conduct a friendly
"negotiation. I regret its apparent
"failure. I shall reply to the –
"formal despatch of H. E. this
"evening, and return to Pekin
"to morrow.

Mr. Holcombe then rose to take leave. H. E. did not rise but insisted that Mr. Holcombe should be seated again as he had something more to say.

H. E. then urged Mr. Holcombe to assist to a settlement of the – "Ward claims" at 8% interest. He was sure that if this was done and all the facts laid before the Secretary of State, the latter would approve the action.

Mr. Holcombe replied that

the

the proposition was quite out of the question. In the face of the telegraphic instruction, to insist on 9% interest, the original of which had been shown to A. E., Mr. Holcombe had but two possible alternatives, to receive the entire sum, principal and interest at 9%, or to accept nothing. He should much regret the failure of his mission, but he must, at least avoid merited censure and disgrace.

A. E. then urged Mr. Holcombe to write to Minister Young and seek authority from him to close the business at 8%

Mr. Holcombe refused to do this saying that with this instruction from Washington, - Mr. Young had no more power in the premises than he had. The entire sum must be paid, -

or

or the amount already in hand must be returned.

A. E. urgently requested Mr. Holcombe not to return what he had received but to keep it and "perhaps the Chinese - "Government would pay the "balance after a while".

Reply was made that A. E. must plainly see that such a course was simply impossible, and could not even be discussed. The whole or nothing must be received.

At this point the Customs Intendant spoke saying that he was but a poor miserable creature, stupid and unfit even for the - duties of his petty office. In the presence of two such brilliant and distinguished statesmen as A. E. and Mr. - Holcombe, how could he dare to open his mouth. But anxious to have the harmony of the two

great

great Powers continue undisturbed, he would venture to suggest that a compromise of 8½% — — he — was here interrupted by N. E. and Mr. Holcombe in the same breath, the former declaring that he would not pay a cash more than 8%, and the latter that he could not accept a dollar less than 9%

N. E. again requested Mr. Holcombe to retain the money already received and promised that the additional 1% would be paid when the surplus — indemnity was returned to China.

This proposition was refused — and N. E. again appeared to lose — his temper. He declared that Mr. Holcombe was unjust, and his — Government unjust, and that all the pretensions of friendship on the part of the United States towards China were a sham. Mr. Holcombe interrupted N. E. and said that his sense of propriety would not

allow

allow him to listen for a moment to such language.

N. C. excused himself and said he did not really mean what he said. But he really was in serious difficulty. The Privy Council had rebuked him for paying anything on either claim except under conditions with which Mr. Holcombe was familiar. He had assumed the responsibility, out of good will, of paying, at 8%, the "Ward Claims", and now the United States insisted on 9%. He was in danger of getting into trouble if he received back what he had paid, and certain of severe criticism if he paid any more. He had suggested several ways out of the difficulty but Mr. Holcombe would accept none of them. He again urged that the money already received should be retained; that he dared

dared pay no more; but would pay the balance out of the indemnity when it was repaid to China.

Mr. Holcombe replied that he was very sorry to be the cause of any difficulty to H.E. but his own orders were imperative, and he had no option. They must be obeyed. He could not incur censure by consenting to receive less than his Government had instructed him to insist upon.

The interview thus terminated.

(Signed) Chester Holcombe.

Tientsin, February, 22nd, 1883.

Note. The greater portion of the conversation which took place at this interview is given verbatim in order to show with exactness what transpired.

(Sd.) C.H.

Enclosure 17.

Legation of the United States
in China.

Received of H. E. Li Hung Chang,
Northern Superintendent of Foreign
Trade, etc. etc. — the sum of taels
forty thousand, four hundred and
ninety seven $\frac{52}{100}$ (40.497 $\frac{52}{100}$) —
Shanghai sycee, in full and final
payment of all demands against
the Government of China held by
certain citizens of the United States
and commonly known as the —
"Ward Claims", the aforesaid
amount being composed of an
unpaid balance of an award in
arbitration made by Messrs. —
Edward Cunningham and
Thomas Hanbury upon the 18th
of January, A. D. 1864, and
consisting of taels ten thousand
nine hundred and three $\frac{86}{100}$
(10.903 $\frac{86}{100}$) Shanghai sycee and
Mexican dollars five thousand six
hundred

hundred and ninety four $\frac{37}{100}$. --
($5,694\frac{37}{100}$) with interest thereupon
computed at nine per centum per
annum from March, 1st A.D. 1874.
to January, 15th, A.D. 1883., that is
to say, for eighteen years and
three hundred and twenty one
days, said interest amounting
to taels Eighteen thousand five
hundred and twenty seven ~~days~~
$\frac{29}{100}$ ($18,527\frac{29}{100}$) Shanghai sycee,
and Mexican dollars nine thousand
six hundred and seventy five $\frac{59}{100}$
($9,675\frac{59}{100}$), and said dollar
amounts being reduced to taels
of Shanghai sycee at a fixed rate
of seventy two tael cents (0.72)
per dollar.

(Signed) Chester Holcombe.
Secretary of Legation.

Tientsin, February. 22nd, 1883.

Inclosure 18.

Mr. Holcombe to H. E. Li.

Tientsin, February, 22nd, 1883.

Y. E.:—

I have had the honour to receive your despatch of the 4th instant in the "Ward" and "Reorjee" claims. In it you inform me that, as a result of our repeated and careful discussions, you are prepared to pay in full, principal and interest, the balance of the sum declared to be due and owing in the "Ward" claims by the arbitrators, Messrs. Cunningham and Nanbury. Y. E. states that you will pay this amount at once from Government funds for military expenditures, as a full and final settlement of the so called "Ward Claims."

Y. E. further says that, in the "Reorjee" claim you must beg

beg a short delay when you will take it up and settle it, and that you are led to make these propositions in view of the great importance of the maintenance of good relations between our respective Governments.

Your Excellency then proceeds to remark that you have heard that my Government, after payment of all claims, has a surplus left in hand in the so called "Canton Indemnity Fund" of more than six hundred thousand dollars, principal and interest, that in view of the high regard in which my Government has always held its own good faith this sum should be returned to China; that you hear that steps have been taken to return a similar surplus to Japan; and that manifestly the same course should be taken with the surplus of

of the Chinese fund that has been determined in regard to the Japanese. And you ask that Mr Young and I will take an early opportunity to represent this matter to our Government, and to request that, in a spirit of friendship, this surplus may be speedily returned to China.

Since the receipt of Y. E's despatch, I have received from Y.E. the principal and interest in full of all sums due in the so called "Ward" claims in full and final settlement of that business.

In the matter of the "Keeyen" claim I beg leave to say that I had desired most earnestly to settle this account at the same time with the other. My Government maintains that the facts and evidence in this case are entirely reliable and indeed indisputable, and that the

principal

principal sum, with the full rate of interest as named in my memorandum is justly due and owing and should be paid at once. As however Y.E. asks a short delay in this case, I can only accede to your request but must be allowed to express the hope that no serious delay will be permitted.

In regard to the surplus "Canton Indemnity Fund", the sum referred to by H.E. is exclusively within the control of the Legislative Department of the Government, and neither this Legation nor the Department of State has power to deal with it. It can only be disposed of after, - and in accordance with - appropriate legislation by Congress. As, however, Y.E. has seen fit to raise this question

in

in connection with the settlement of the "Ward" and "Kerjeu" claims upon an amicable basis, the Legation will most certainly place the views of Y. E. in regard to the surplus of the "Canton Indemnity Fund" before the Secretary of State and will request him to take any action that may seem to him appropriate and proper to bring the matter to the notice of the Legislative branch of the Government.

I may however be allowed to remark, in this connection, that the "Kerjeu" claim and the surplus of the "Canton Indemnity Fund" do not rest upon the same or a similar basis. The "Kerjeu" claim rests upon principles of law and justice. The "Canton Indemnity Fund" raises a question

question of comity and friendship. The payment by China of the "Keeper" claim would be simply and purely an act of justice. If the United States should return the surplus under discussion to China, it would manifestly be an act of comity. I beg to suggest for the careful consideration of Y. E. that the complete fulfilment of the demands of justice may best pave the way for the hearty recognition of the requirements of friendship.

I have given my receipt in full for all demands in the so called "Ward" claims - and in final settlement of that case for your inspection and in order that Y. E. may make the necessary report to the Foreign Office.

I have &c. -

(Signed) Chester Holcombe.

No. 24/1883. Enclosure. 19.

Mr. Young to Mr. Holcombe. –

Confidential.

Peking, February, 19th, 1883.

Sir,

I infer from the despatches received from the Department – and your own in reference to your negotiations with the Viceroy, as to the claims of American – citizens upon the Government of China, that there is a probability of what is known as "The Ward claims" being paid at eight per cent. The fact that the owners of these claims will be satisfied with this rate, and perhaps less, from their anxiety to be in actual possession of their money, may induce the Department to agree to the Viceroys final – proposition. This, I understand to be, that he will pay the "Ward-claims" with interest at eight per cent from the time they were –

incurred

incurred.

Mr. Hill, who owns the "Kerrier claims, which, so far as the Government approval is concerned stands upon the same basis as the "Ward claims" does not feel that his rights would be conceded unless he received the principal of his claim with ten per cent. This is of course a matter for his own judgment, especially as the Government has confirmed him in his position. However much we might desire a settlement or a compromise, the Legation wishes nothing done in the interest of any other claimant that will prejudice Mr. Hill. Nor should I wish anything done in the interest of Mr. Hill to prejudice other claimants.

Should you therefore make a settlement of the "Ward Claims" at eight per cent, the other being unpaid you will please make

make it known to N.E. the Viceroy that the settlement must in no way be understood to weaken, or impair the validity of the "Kenyon Claim", - both as to principal and interest. You will file with him a formal renewal of our demand for their payment in full at ten per cent. In doing this you may express the belief that the Government, while recognizing the spirit of friendship and justice which inspires the - Viceroy to settle one portion of these long-deferred and meritorious claims, only sees in that action a still stronger reason for asking the payment of the whole.

This of course is written subject to any despatch from the Secretary of State, with whom you are in communication by cable. In the absence of any order from the - Department directing a contrary - course to what I have indicated

please

please accept this as the instruction of the Legation.

I am &c—

(Signed) John Russell Young.

Inclosure 20.

Mr. Holcombe to A. E. Li.

February, 22nd, 1883.

Informal.

Y. E.

I have the honour to express my sincere thanks for the friendly action upon your part which has led to the settlement of the "Ward" claims.

Since Y. E. requests a further delay in the "Keojee" claim it seems necessary that I should lay before you a rejoinder to your earlier memorandum, and I beg to enclose it herewith. It refers only to the more important points raised by Y. E. and I am convinced that a careful consideration of it will clear up all doubt in your mind as to the merits of this claim and render a settlement of this business easy at an early moment.

I have &c. —

(Signed) Chester Holcombe.

"Keoryeo" Claim.

Memorandum in response.

In the first point in the argument made by A. E. Li is found the following:- "Since therefore the charter party of the "Keoryeo" bore no official seal how can it be maintained that there is proof that it was chartered for the use of the "Ward Corps."

This Legation has never asserted that the charter party of the "Keoryeo" bore an official seal of the "Ward Corps". On the contrary, it has always declared that this document bore the unofficial seal of Yang Taku. It has never pursued the Taotai for the amount of this claim, but has always pressed for payment as against Yang Taku. Since he chartered the vessel for the use of the "Ward Corps"

Corps." the demand for payment of this claim must of necessity rest in the first instance against him.

That Yang Takee did charter the "Reorjer" for the use of the "Ward Corps" and that she was used by that corps is fully shown by the following extracts from the evidence given at Shanghai in 1875 in the case of Hill versus Yang Takee.

Mr. F. A. B. Jenkins being sworn testified that

"among the claims referred to us
"for such arbitration was one of
"Charles E. Hill, an American citizen
"residing at Shanghai for the charter
"and use of a steamer called the "Reorjer".
"The claim of said Hill was based on
"a charter party written in both the
"English and Chinese languages and
"signed on the English side by
"said "Ward", and on the Chinese
"side by one Takee, a Chinese
"banker and Government
"Treasurer,

Treasurer, and sealed with his
"chop or stamp, and was also
"signed by said Hill."

Mr. Jenkins further testified:-
"the charterers were to pay for
"the use of said steamer Taels
"3,000 per month, and an
"indemnity clause binding
"them to pay in case of loss a
"further sum of Taels 12,000."

Mr. Ashley testified:-
"The "Keerjeer" was only used
"for the Hong Kong Force while
"I was in it as a gunboat
"and despatch boat."

Captain Rowe deposed:-
"While I was in the Naval Corps
"I knew the "Keerjeer" was at that
"time employed as a despatch
"boat between Hong Kong and
"Shanghai."

Colonel Forrester deposed:-
"I only know that the "Keerjeer"
"was employed and remained
"in

"in the service of the "Ward Corps
"until March 1863, but I cannot
"say how long after. While I was
"in the Force she was under the
"control of Lake, General Ward,
"and myself."

Mr. Baffy testified:-

"The "Kenjeu" was employed
"by the Ward Corps to carry
"despatches and on official
"business. She was in this
"service when I entered the
"corps in December 1862, and
"continued in it until
"captured by the rebels in
"1863."

Messrs. Mac. Laughlin, Silverthorne, Rhode, and others gave testimony exactly agreeing with that of Mr. Baffey.

But not only did the witnesses for the plaintiff in this trial testify that this vessel was used by the "Ward Corps". The witnesses for

the

the defense also asserted the same fact. Thus D. Jamieson a witness summoned on behalf of the defendants declared:-

"I know that several small
"steamers were used in
"connection with the Force
"and that the "Reorient" was
"one of them. I do not know
"who chartered her, but I do
"know that she was used
"by the "Ward Corps."

Since then the witnesses for both plaintiff and defendant in this trial unite in declaring that the Steamer "Reorient" was used by the "Ward Corps" how can Y.E. ask what evidence is there that she was used by that corps. In the second point raised by N. E. it is declared that there were in all three documents signed by Hill and Lakie, and that as Hill produced but one

of

of these before the arbitrators, it is assumed that the other two contained something inconsistent with his claim.

In answer it only need be said that Mr. Hill produced only the charter party because that document alone had any connection with his claim. The others had nothing to do with it. Where is there any inconsistency in this?

In the fourth point attention is called to the fact that at the arbitration Mr. Hill presented a claim for only 4 months charter, while now the amount is for 14 months, and this is called an inconsistent.

The explanation is very simple. The first arbitration referred to the four months use of the "Georgia" by the "Ward Corps" while

Bergevine

Burgevine was in command of those troops. It was especially Burgevine's accounts that were being adjusted, and hence the bill was made out for four months. When, at a later moment, the vessel had been captured by the rebels the account should of course be made out for the entire 14 months of her service and for indemnity for her loss.

The fifth point declares that in the United States claims are outlawed after 6 years; that the Hill allowed this claim to rest for 11 years before bringing suit, and hence that according to American law it cannot be prosecuted.

There is no such statute in the United States. Matters

of

of that sort are decided by the several States, each for itself, and the United States has nothing to do with them.

But Mr. Hill during all the eleven years referred to continued to press his claim with Lakee and later with his heirs. When finally he failed utterly to obtain payment from those heirs he brought suit to compel them to do justice. Hence in no sense is it true that Mr. Hill allowed his claim to lie dormant for 11 years.

The seventh point raised by N. E. is to the effect that the reference, made by N. E. to Mr. Seward, to the Steamer, after her capture as the "Chinese Steamer Georgia" does not justify the inference that she was in the service of the "Ward Corps" or of the Government.

I have never held that it did warrant

warrant such an inference. But it does shew that the "Reorjeo", at that time owned by Mr. Hill, was in the service, either of the Chinese Government, or of some Chinese Subject. If she was chartered for the Government, then the Government ought to pay for her use and loss. If in the service of a Chinese subject then such subject should be compelled to make just recompense to her owners. In either event the Chinese Government is in duty bound to see that Mr. Hill receives full compensation.

In the various personal interviews had with N. E. the point has been strenuously put forward that the sums claimed for charter and indemnity in this claim are excessive.

In this connection I beg to refer to the evidence given by

Mr.

Mr. Edward Cunningham as given at the trial of the case of Hill versus Yang Take. N. E. in his memorandum repeatedly speaks of this witness as an honest man.

Mr. Cunningham testifies:-

"I remember the "Kenjiu."

"Steamers of this description

"were very valuable at that

"time, and very large prices

"could be got for them, I

"should say that Taels 3000.-

"per month was not exorbitant

"for such a steamer at that

"time."

And Mr. J. L. Miller, a British subject deposed:-

"I do not think Taels 3,000.-

"per month an exorbitant price to

"charter such a steamer as the

"Kenjiu". She might have earned

"three or four times as much if-

"used in transporting silk."

Mr.

Mr. A. C. Westall, another British subject, gave exactly corroborative evidence.

And it thus appears from the evidence of these witnesses — that the price of charter and the indemnity for the loss of the "Reerjeer" are manifestly reasonable and just.

In conclusion it is shown — beyond all possibility of dispute that there was such a steamer as the "Reerjeer"; that she was chartered to Yang Take by her owner Mr. Hill for the use of the "Ward" corps; that she was used by the said — corps; that the amount claimed for charter and indemnity for her loss are not excessive. Up to the present moment no portion of these sums have been paid.

Inasmuch as the "Ward corps" made use of this vessel, the

the Government of His Imperial Majesty ought unquestionably to pay for such use.

N. E. has a high reputation for ability and intelligence and will, I am convinced, in a spirit of justice and equity liquidate this account.

Triplicate Inclosure 21.

Tientsin 22 Feby. 1883

Received of Chester Holcombe Esq Secretary of the United States Legation in China the sum of Taels. Forty thousand four hundred and ninety seven ₹32cts. Shanghai Sycee. (T. Hs 40497.52). on a Fixed Deposit for six months at interest at the rate of four per cent per annum; the said amount being subject to the order of the Chief Diplomatic Representative of the United States in China.

This receipt must be presented together with the usual receipt given by the Bank for Fixed Deposits, when payment of the amount is required.

Agent.

Enclosure No. 22.

Telegram.

Tientsin, February, 22nd, 1883.

Secretary State
Washington.

Ward claims paid interest as instructed. Justice Hill Claim admitted delay in payment requested. Chinese feel hurt because Congress legislates Japan indemnity and not in Chinese indemnity.

Holcombe.

Despatch No. 167.
Enclosure 2.

31/1883.

Mr Young to Grand Secretary Li.

Peking, March. 10th, 1883.

My dear and Honoured Friend,

I called upon the ministers of the Yamên on Thursday and had a long conversation with Their Excellencies in reference to the business which had been submitted to your care. I was anxious to report to the Government the exact conditions of the negotiations. I expressed my satisfaction with the settlement which had been made of the "hard" claims, and especially with the prompt and handsome manner in which H. E. disposed of that long standing question. I said to the Yamên that I knew this action would be regarded with pleasure by my Government and regarded especially as an indication

on

on the part of Your Excellency and the ministry to deal justly with the United States I accepted it likewise as another evidence of the desire of China to strengthen the good relations which have for so long a period happily existed between your country and mine.

I said further to Their Excellencies that in Your note to Mr. Holcombe you expressed your willingness to settle what is called the "Keying" claims, and asked for a little delay.

I noted with much pleasure that this expression on your part, was an acceptance of the validity of these claims. On this point H. E. is in a position to speak with knowledge and authority. As the Commander of the Imperial troops, in their war upon the rebellion, H. E. had the advantage of the service rendered by the claimant, and so appreciated its value to your cause.

This

This fact accepted and beyond dispute and the "Hard" claims having been paid, I said to the Yamên that while I was willing to grant any reasonable delay, and did not wish to appear harassing or importunate I could not overlook the circumstance that for twenty years these claims had been in abeyance and that for twenty years we had sought justice at the hands of China. I said further that in conversing to the reference of the business to H. E. I understood that your instructions from the Government would be of such a character that there would be a settlement.

The ministers speaking through H. E. Chên who had formerly represented H. M. at Washington and was therefore familiar with the wishes of my Government, said that the question still remained with H. E. and that

the

the instructions to which I refer had not been amended or withdrawn.

Understanding therefore that H. E. and the ministers of the Yamên admit the justice and the propriety of paying the "Kearsarge" claims, it would be an advantage to the legation for me to know when it would be convenient for you to resume these discussions with the view of bringing the business to a close. I am solicitous to have them adjusted and out of the way upon any basis that will satisfy the rights of the claimants and the honour and dignity of China. I know H. E. has the same feeling, and shares my anxiety to remove all disagreeable questions from our relations.

I hope to be in Tientsin on the 28th of March or thereabouts — when

when I shall have the honour of paying my respects to Y. E.

I wish also to express my thanks for the courtesy shewn to Mr. Holcombe, the secretary of Legation during his stay in Tientsin.

I am with high consideration
Your sincere friend.
(Signed) John Russell Young.

26/1883. Despatch No. 167.

Informal.- Enclosure. 3.

N. E. di to Mr. Young.

March 16th, 1883.

Y. E.:-

I have had the honour to receive your note and have given careful attention to its contents.

In the "Ward" and "Kemper" claims Mr. Secretary Holcombe was in Tientsin for more than a month conducting negotiations with me, - and as he has returned to Peking, I presume that he has personally explained the situation to you. But it appears from your note - that certain points are still not clear in your mind and, in the interest of our friendship I must make a frank explanation.

The separation of the "Ward"

"Ward" from the "Keyser" claims was not without a reason. In the "Ward" claims the late Wu Taotai while living had officially signed and sealed an agreement with Consul General Seward, by virtue of which messrs. Cunningham and Hanbury were invited to arbitrate these accounts. They decided that the claim for charter of the "Keyser" ought not to be paid. Their conclusions form a positive and, as it were, an iron rule of conduct in both claims. In my investigation into the merits of these two cases, as I found that the arbitrators had held that the "Ward" claims should be paid, I at once consented to make payment. But as I feared that the heirs of the late Wu Taotai might have difficulty in raising the funds, and hence delays might arise, I decided to make the payment from the

military

military appropriations of the Government, and so manifest my desire to render assistance in closing these matters.

In our negotiations, Mr. Holcombe at first demanded interest at 10%. I maintained that the Chinese Government had a rule that in claims the interest should never be allowed to exceed the principal, and that in paying the English indemnity a rate of 5% had been agreed to. Mr. Holcombe would not accept such a rate. Later, as I found that in the case of money claims in the United States, referred to the courts for adjudication, in cases where the parties had made no agreement as to the rate of interest, that 6% interest was allowed, I proposed to settle the "Ward" claims at this rate. But Mr. Holcombe still refused consent. And this made

the

situation difficult for me.

In regard to the claim for the Charter and cost of the Steamer "Neosiew", as the arbitrators had decided that these amounts ought not to be paid, how could I, twenty years afterwards, reopen the case and reverse their judgment? - I could only abide by their decision and refuse payment. And hence arose many days of discussion and debate. At last, Mr. Holcombe appeared to realize that the circumstances of the two claims were unlike, and that the two could not be disposed of together. He therefore urged me to the immediate settlement of the "Ward" claims by the payment of principal and interest at 8%.(a). Thus the "Neosiew" would rest until Your Excellency and Mr. Holcombe.

(a) See Note - C.A.

Holcombe had devised a plan for the repayment of the Chinese Indemnity, principal and interest, when it would be taken up and paid. (b). I assented to this proposition and at once sent the amount due in the "Hard" claims, principal and interest at the rate mentioned, to Mr. Holcombe. And I expected that the case would be settled upon this basis. Quite unexpectedly, a few days later, Mr. Holcombe informed me that he had been instructed by cable by his Government to insist on 9% interest. I then proposed to pay the additional one per cent interest from the Canton Indemnity when it should be repaid. Mr. Holcombe refused assent to this proposal and left my office. A day or two later I received a despatch from him acknowledging the receipt of the amounts

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(b.) See note. C. N.

amounts due in the "Ward" claims principal and interest. From this I inferred that he had concluded to close the case upon the basis of my original offer, that is to say, at 8% interest. Hence when I received your note stating that the "Ward" claims had been settled at 9% interest (C). I did not understand what you meant.

But upon inquiry I learned that the Customs Intendant of Circuit Chow, and Mr. Kg chow had been in consultation with Mr. Holcombe, they having been present at my interviews with him, and that they had paid the remaining 1% to him with the understanding that if upon representation by Mr. Holcombe to the Secretary of State, the latter still insisted upon the 9% interest, then it should be settled in that way. In this event, upon the repayment of the Canton Indemnity

Chow

(C) See note, C.H.

Chow Taotai will be reimbursed by me. Thus the settlement is substantially in accord with my proposition to pay the additional 1% out of the indemnity, though the details are slightly different.

And this is a correct account of the negotiations which resulted in the settlement of the "Ward" claims.

In reference to the "Kenjew" claim, since I had refused payment of it in accordance with the judgment of the arbitrators that it was not due, how could I in my despatch to Mr. Holcombe use the expression "I must beg a short delay when we will take it up and settle it"? Simply because, as you had promised to request the Secretary of State to endeavour to secure the repayment of the surplus indemnity to China, as a proof of your friendship to this Government, and, in view of this fact, I could not persistently stand

stand by the decision of the arbitrators and thus refuse to respond to your friendly advances. (d).-

An adjustment of these two matters - the "Kerrjew" claim and the surplus of the Boxer Indemnity - is of the utmost importance as affecting our good relations. To prolong in the least an argument upon them is of no advantage to the dignity of either Government and is not I am sure the desire of either Your Excellency or myself.

As you have repeatedly sought a mode by which a settlement of the "Kerrjew" claim may be reached, I can only inform you with the utmost frankness and sincerity. Whenever your Government will refund to China the surplus remaining of the Boxer Indemnity Fund, - principal

(d) See note. C.N.

principal and interest, this —
Government will pay in full, —
principal and interest, the amount
of the "Kerjew" claim. This is an-
excellent compromise for both parties.
But each day's delay in the pay-
ment of the Canton Indemnity will
mean a delay of one day in the —
payment of the "Kerjew" claim.

I am quite unable to devise
any other mode of adjustment. I
trust you will pardon this inability
on my part, and will urge the
Secretary of State and other officers
of Your Government to take measures
to bring about the adjustment proposed
herein at an early day. This I beg and
entreat most earnestly.

As I have received the —
Imperial permission to return to
my native village to bury my
dead and propose to set out at
once, I fear that I may not hope
to see you when you pass through
Tientsin.

I hear with regret that Mrs. Young is in poor health, and trust that the sea voyage will restore her to health and remove all disease without recourse to other remedies. I shall be greatly rejoiced to hear that such is the case.

Card and compliments.

Notes on above by Mr. Holcombe.

(a) The proposition to pay 8% interest came from N. E. Li, and not from me. I, at first refused it, and only agreed to cable the Secretary of State when Li positively refused to pay a higher rate. See Précis of conversation of January, 29th., my report enclosure. 6.

(b) N. E. here speaks for himself.

Certainly

Certainly no such plan was broached in our conversation. See Precis as above.

(C.) The ingenious artifice of N.E. upon this point is exposed by reference to Mr Young's letter — which does not say that the — "Ward" claims had been settled at 9%. It does not mention any rate of interest.

(d) The argument by which N.E. di seeks to explain that he — acknowledged the "Kenyon" claim and asked delay in payment — because the Legation had promised to call the attention of the Secretary of State to the feeling of China regarding the Chinese Indemnity is — entirely exploded by a mere — comparison of dates. Thus di in an official despatch addressed to me, and dated February, 14th, 1883 begged

begged a little delay in the payment of the "Kenyon" claim. It was not until February 22nd, 1883., — 18 days later — that I wrote him that his views upon the Chinese Indemnity fund would be laid before the Secretary of State, &c. &c. — And my despatch shows for itself that it was in reply to his. See my report Enclosures 8. and 18.

Chester Holcombe

Minister Young to Viceroy Li.

38/1883.

March, 21st, 1883.

My dear Friend,

I am in receipt of your valued letter, dated March, 16th, 1883. in reference to the claims of American citizens against the Imperial Government.

I have read with attention the arguments of G. E. I do not at this time reply to them, because G. E. informs me that you have passed into a season of mourning for your venerated dead. I therefore refrain from the discussion of any business question, and send you simply words of condolence and friendship.

I regret very much that I may not see you on my coming visit to Tientsin — but I shall avail myself of the first opportunity to do

so

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so when I know that G. C. having performed your sacred offices has returned to your public duties.

In the meantime, I remain with the highest consideration. -

Your sincere friend

(Signed) John Russell Young.

Despatch No. 167
Enclosure 4.

No. 10/1883.

Legation of the United States.
Peking. March. 12th, 1883.

Your Imperial Highness
Prince Kung..

On the seventh of
March, I had the honour of a
conversation with their excellencies
the ministers of the Yamên.. in
reference to the business discussed in
the despatch of Your Imperial Highness,
dated November, 17th, 1882 and my
reply to the same.-

The understanding
which came as the result of these
discussions was that the claims of
American citizens against the Chinese
Government for aid furnished to the
troops of His Imperial Majesty in
suppressing the Tai ping rebellion -
(what have been known in our
correspondence

correspondence as the "Ward" and "Keorjeor") should be referred to His Excellency Li Hung Chang the Grand Secretary of State, with instructions from Your Imperial Highness to determine and settle them.

In pursuance of this agreement I sent Mr. Holcombe, the Secretary of Legation, to Tientsin to represent the Legation and discuss these claims with the Grand Secretary.

The result of that conference, which lasted for five weeks was that His Excellency paid what is known as the Ward claims, principal and interest. He asked from the Legation a little delay in the arrangement of the Keorjeor claim.

I said to the ministers of the Yamên, that I called to express my satisfaction at the payment of the money due in the so called

"Ward

"Ward" claims. I felt sure that your action would be regarded by my government, as another evidence of the sincere desire of Your Imperial Highness to strengthen friendly relations with the United States.

While making this declaration, I could not resist the expression of a regret, that His Excellency Li did not see his way to a complete settlement by the payment of the "Keojeor Claims", and thus leave no question of a pecuniary character whatever, outstanding between our governments. These questions are always disagreable and that fact alone, has made me anxious, ever since I became minister to have them adjusted. I ventured to point out that the postponement of the claims only added to the difficulty of paying them that the amount grew larger by the accretion of interest

every

every year .. that what was a small sum twenty years ago, had through the negligence of the Shanghai authorities become a large sum, and that the claimants having spent money and time in endeavours to secure their rights might demand additional compensation for delay and expenditures and that this was an embarrassment which I was anxious to avoid. It therefore seemed to me, that in advising a speedy settlement of the "Kearsarge" claims as well as the "Naval" claims, I was giving the best advice to China.

I called the attention of their excellencies to the request of the Viceroy for a little delay in the adjustment of the Kearsarge claims, and said that in reporting to my government the result of the negotiations at Tientsin, I would like

like to be able to have an idea of the duration of the time that would best suit his Excellencies convenience. I did not do this because I wished to be importunate or unreasonable, or in the slightest degree to question the candour and good faith of his Excellency in his desire to end our business amicably - but as your instructions contemplated a definite settlement, it was not in harmony with our agreement to allow the affair to rest indefinitely.

Their Excellencies replied that the matter rested with the Viceroy and the adjustment was still within his discretion.

I asked if the instruction contemplated in your despatch still governed His Excellency di.

The ministers assured me that they did, and there was no intention of changing or withdrawing

withdrawing them.

This being the case, I asked the ministers to be good enough to acquaint His Excellency with the nature of our conversation, and to obtain from him a statement as to when it would best suit his convenience to resume the negotiations.

I understood the ministers to give this assurance, and my purpose in writing this despatch is that Your Imperial Highness should be well informed as to my understanding of this conversation.

The question of the return of what is known as the Canton Indemnity Fund having been broached by one of the ministers. I explained the nature of that problem. It was one that the Legation could not discuss. The return of this money to China could only be done by Congress, and

and the action of Congress was not a subject for diplomatic discussion. The President like several of his predecessors had in a public message recommended Congress to return this money - and that solemn expression of opinion, I hoped would be grateful to China. The question of the return of the indemnity to China and of the payment of the American claims could not in any way be associated, and it would not be for the dignity or the honour of either country to deal with them in this manner.

In making this communication, I tender Your Imperial Highness and the ministers of the Yamên, the assurances of my highest consideration.

I have the honour to be.

Your Imperial Highness'

most obedient servant

(Signed) John Russell Young

Despatch No. 167.
Inclosure 5.

Tientsin.

February, 1883.

My dear Friend.

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With reference to the American citizens claims about which Mr. Holcombe has, by your instructions come to Tientsin I am pleased to say that a satisfactory arrangement has been come to for their settlement, the details of which I need not relate here as I have no doubt Mr. Holcombe has ere this made you fully acquainted with them. I may however mention that in consenting to the arrangement I conceded as much as I possibly could, consistent with my public duty. I did this because I did not

not wish that a money question - however small should be left - unsettled in view of the closely friendly relations long existing - between China and the United - States and because I desired - to do everything in my power to oblige you on account of our friendship.

I remain;
with best compliments.
Your sincere Friend.
(Signed) Li Hung Chang.

N. E.
John Russell Young

Enclosure No 6.

Prince Kung. to Mr. Young

Prince Kung. Chief Secretary of State for Foreign Affairs, herewith makes a communication.

I have had the honor to receive your despatch of the 12th instant repeating the substance of a conversation had with the Ministers of this Board upon the 7th March, and inquiring when H.E. Li would be prepared to take up and pay the "Kuyper" claim. &c. &c.

Inquiry was at once made of H.E. Li by this Office and I am now in receipt of his reply in which he states that the "Ward" claims have been disposed of in accordance

accordance with the decision rendered by the Arbitrators. If the "Keefer" claim were to be dealt with according to the same decision it naturally would not be paid. But, as H.E. in view of the good relations of the two nations, is willing to call the attention of Your Government to the surplus of the Canton Indemnity Fund, and to suggest that steps be taken for its repayment, it would not be proper to insist upon the "Keefer" claim, and thus to make no concession whatever.

Bijé

Hence H.E. Li, in his despatch to Mr. Holcombe used the phrase "as the "Keefer" claim I must beg a little "delay, when we will take it up and "settle it." Whenever Your Government will refund to China the surplus remaining

of the Canton Indemnity Fund. Princi-
-pal and interest, thus Government will
Pay in full, Principal and interest the
amount of the "Keefer" claim. But
each days delay in the Payment of
the Canton Indemnity will mean a
delay of one day in the Payment of
the "Keefer" claim.

Thus writes H. E. Si
And from his communication I gather,
in regard to these matters that, first, in
the "Vaud" claims, he disposed of them
at once in accordance with the Arbi-
-trators award: and, second, in the "
"Keefer" claim, he does not propose to
insist upon the decision of the arbitrators,
but has promised to pay it after a
little delay. In pursuing this discrimina
-tive line of Policy H. E. Si has
shown

shown a high regard for the good relations of our respective Governments.

In regard to the surplus of the Canton Indemnity, since H. E. is willing to bring the matter to the notice of Your Government, and to suggest that steps be taken for its repayment, I do not believe that your representations will be in vain. If H. E. is able to bring the whole circumstances to the notice of Congress to the end that the surplus indemnity principal and interest shall be returned to China at an early day, this Government will then have no difficulty in paying the "Keefer" claim.

Hon John Russell Young

&c. &c. &c. &c.

Peking March 24th 1883.

Enclosure No 7.

American Legation

Peking March 30th 1883.

U.S. Minister John Russell Young to Prince Kung.

Your Imperial Highness.

I am in receipt of your dispatch dated March 23. 1883. in reference to the Newjear claims, and the decision of them by Your Excellency Li Hung Chang and Mr. Holcombe the Secretary of Legation. In this you explain that H.E. in asking for "a little delay" before deciding the question intended to reserve further action until Congress should return to China, what is known as "The Canton Indemnity Fund." When this is done you promise to pay the Newjear claims, principal and interest, as demanded by my Government. You refer to the willingness expressed

expressed by Mr. Holcombe in his conversations with H.E. Li, and my own consent as expressed in my conference with the Ministers of the Yamen, to recommend the payment of the Canton Indemnity Fund, and announce your resolution to take no further steps towards a settlement until the judgement of Congress became known.

It is a matter of deep regret that the question should have assumed this position. Mr. Holcombe assurances to the Viceroy were independent of the Navy yard, or any other claim. He merely repeated what had been said to your Government by my predecessor, that the Legation would regard the return of the Canton fund to China with satisfaction, and would render any office in its power to contribute to that result. He explained to H.E.

that

that the fund was under the control of Congress, and that the Legation had no power to influence or anticipate some by the expression of an opinion the action of Congress. He called attention to the + gratifying fact that the President like + several of his predecessors out of regard for China had advised Congress to return this fund. There was no intention on the part of Mr Holcombe, certainly none on the part of the Legation, to offer any inducement to H. I. H. to do an act of justice to an American citizen. That would not be worthy of the dignity of your Government or of mine.

The Legation asks for a settlement of the Keogh claim upon their merits alone. There is no affinity between the two questions. If Congress returns the Canton

Canton Indemnity Fund it will be an act of courtesy. If your Government pays the Ward claims it will be an act of justice. For H.E. to say therefor that you will refuse an act of right, until my Government should do an office of courtesy, is to leave the whole negotiation in a most unfortunate position. The Legation is sensible of the friendly spirit which moved H.E. to pay the Ward claims, after so many years of delay. But that my action on the part of H.E. in any manner strengthens your obligation to do the same with the Ward claims. I said in the beginning of this negotiation to H.E. and to H.E. Li: that if China could give any new reason, based upon evidence which had not been considered by my Government,

for

for the withdrawal of these claims. I would gladly abandon them; No such reason has been advanced. The integrity of the claims asserted by my Government has been admitted by yours. The Department can only learn with the deepest regret that China refrains from an act of Justice, except upon stipulations which it is not in our Power to admit or even consider. I am persuaded that when H. E. gives further thought to the late aspects of this question, as it is my duty now to present them, you cannot be satisfied with the Position into which it has fallen, nor with the attitude of the Cabinet. I commend it to your serious consideration, more especially as it was understood in your despatch consenting to refer the claims to the Viceroy Li, that such a reference meant

meant that they should be considered and determined. The Legation is unable to regard your despatch as a fulfilment of that Promise.

I take this occasion to assure H. E. H. of my highest consideration

Jas Buchanan

Confidential

No. 168. One Enclosure.



Legation of the United States.

Peking, March 22nd/4, 1883.

John Russell Young to the Secretary of State,

Subject

The Loo Choo question.

Synopsis.

Reports a conversation with Admiral Enomotto and Hon. Young, and between H. E. Li and Hon. Holcombe. China not disposed to make any concession.

No. 168. One Enclosure.

Confidential.

Legation of the United States.
Peking, 22nd March, 1883.

To the,
Honourable Fred. T. Frelinghuysen.
Secretary of State.

Sir,

His Excellency Admiral Enomotto called at the Legation yesterday, and in the course of conversation referred to the unadjusted difficulty between Japan and China, as to the Sovereignty of the Loo Choo Islands. He said

he

he was sorry that the Viceroy Li when they met at Tientsin did not mention the subject. While he was not in a position to introduce it, he was quite ready to enter upon its merits. His Government was also disappointed that no discussion had taken place, and he was anxious for a solution. He therefore came to me to know if I had any objection, when in conversation with Li, to bring up the question, and see whether some means could not be suggested of arriving at an understanding.

I said I had no instructions from my Government that justified me in venturing my offices. At the

the same time if His Excellency —
chose to converse upon any public
question, I was always interested -
in the expression of his opinions -
I asked the Admiral whether the
Japanese Cabinet had any new plan
to propose. Just now their position
was that of beati possidentes, and
so long as Japan held that ground.
there would be no advantage in —
negotiating.

Mr. Enomoto said that he
thought his Government would be -
willing to recur to the Shishido —
Convention, and to accept it so far as
the partition of the islands was —
concerned. withdrawing the other -
provisions upon which Mr. Shishido

had

had insisted, and thereby led to the Chinese refusal to sign. In other words Japan would do now, what she had refused to do in 1880, namely treat as to Loo Choo alone, and accept a Covenant which then was satisfactory to the Yamên. He did not wish to make this proposal informally, until he had some apprance that it would be accepted, and he knew of no way except through the friendly offices of the American Legation.

I replied that I valued his confidence, and I knew that my Government was very anxious to see Japan and China on cordial terms. I, however, had no instructions to enter upon the question.

question. At the same time I would note his proposition, and if His Excellency should honour me with any expression of opinion as to Loo Choo, it would be an advantage for me to know the mind of the Japanese Cabinet on the subject.

I send as an enclosure, - 1/168.
the memorandum of a conversation between His Excellency Li, and Mr. Secretary Holcombe in regard to Loo-Choo. The Department will note that the Viceroy has no idea of accepting any compromise, even of the nature suggested by Admiral Enomotto.

It may be thought strange,

and

and no doubt the partisans of the Japanese would make it a matter of criticism that China should not be willing to do now, what she was prepared to do in 1880. It must be remembered, however, that when the Shishida convention was under discussion, China apprehended a war with Russia. The disappearance of this danger, had more than anything else to do with the abandonment of the convention. China is stronger in a military and naval sense, and gains in power every day. Moreover, as the Viceroy explained to Mr. Holcombe, there remains the interesting fact, that in a comparatively short time

a

a new Emperor will ascend the throne, new influences will in all probability be paramount at the palace, and it might be more than any statesman's head was worth, to be called upon to explain why he had during the Imperial minority assented to the dismemberment of the empire.

I therefore anticipate no good result from any conversation with the Viceroy, in the terms suggested by the Japanese Envoy. At the same time if the Viceroy should bring up the question I shall endeavour if I can do so with propriety so to direct the conversation, as to be able to report to you, the exact feeling

feeling of the Chinese Government upon the subject.

I have the honour to be,

Sir,

Your obedient Servant.

Jno. Ross Gray

Enclosure.

1. Memorandum of conversation between Mr. Holcombe and Ticeroy Li.

Despatch No. 168.
Enclosure.

Confidential. Despatch No. 168.

Memorandum of Conversation between M. E. Di and Mr. Holcombe in regard to Duo-Chuo.

M. E. asked if Mr. Holcombe saw much of the new Japanese Minister in Pekin.-

Mr. Holcombe replied that he met him frequently.

M. E. asked if Mr. Holcombe had discussed the Duo-Chuo question with him, and if so, what reason the Japanese Minister gave for not mentioning that topic when in Tientsin.

Mr. Holcombe replied that he had not discussed the Duo Chuo question with Admiral Enomoto. He had, however, heard indirectly that the Admiral had said that he had waited for M. E. to raise the question, his instructions being such that

that, while he was prepared to - engage in a discussion if invited to it by the Chinese, he could not himself begin it.

M. E. Li then said that he had no new propositions to make in regard to Liu chou, and hence had not referred to the subject when he saw Admiral Enomotto. He alluded to the great interest which General Grant had taken in an - amicable adjustment of the difficulty, and said that China still hoped that the United States would exercise her good offices and aid in an honourable solution. He asked Mr. Holcombe if he had no plan to suggest.

Mr. Holcombe replied that he had given the subject no thought recently, and of course could only express his individual opinion. He felt that the Convention drawn up between Minister Shishido and the

Chinese

Chinese Foreign Office in November, 1880. was not the best means of settlement. It provided for the partition of Koo-Chow between China and Japan. Such a partition would necessitate the appointment of local officers, on the part of the two Governments, having jurisdiction over islands which were of one group, and only separated by a very few miles. In the opinion of Mr. Holcombe, conflicts of authority and questions of jurisdiction could not fail to arise between petty and irresponsible authorities thus situated, and these complications would most likely lead to serious difficulty in between the two Governments. The situation and the size of the Koochoos Islands would not admit of such a partition.

H. E. Li said he entirely approved of this view. China would never assent to that arrangement.

Mr. Holcombe then said that he

he knew of no plan better than the two which H. C. had mentioned when Mr. H. passed through Tientsin in March, 1881, and which H. C. had requested him to communicate to Minister Bingham in Tokio, and to General Grant. These were 1st. That the King of Loo-choo should revert to his old position and pay tribute to both China or Japan; or, second, these two Governments should conclude a treaty mutually guaranteeing the entire independence of Loochoo. Mr. Holcombe expressed his opinion that either of these plans would do, but that the second was by far the best.

H. C. said that China was still ready to accept the first plan, but that the second could not now be accepted.

Upon being asked to give a reason for this change, he added

added that the Emperor would ascend the Throne in two or three years, and, in view of this fact, no Chinese official, however high or influential would dare agree to a convention by which His Majesty would be deprived of his rights of suzerainty over Deo Chao. The Emperor would be likely to hold any officer of the State personally responsible for such a line of conduct.

Mr. Holcombe said that, under these circumstances he saw no course but to let the question rest for the present. H. E. concurred in this view.

(Sig^{d}) Chester Holcombe.

Tientsin, February, 3rd, 1883.

[File: A request for instruction to the Customs Authorities]

No. 169. Three Enclosures.

Legation of the United States.

Peking, March 23rd, 1883.

DEPARTMENT OF STATE
MAY
24
1883
RECEIVED

John Russell Young to the Secretary of State.

Subject.

Payment of drawback certificates.

Synopsis

Refers to despatch number 123., and encloses further correspondence. Has requested Prince Kung to instruct the Customs Authorities to pay such certificates in cash on demand.

3

No. 169. Three Enclosures.

Legation of the United States.

Peking, 23rd March, 1883.

To the,

Honourable Fred.k T. Frelinghuysen.

Secretary of State.

Sir,

In my despatch No. 123 I informed the Department of certain complaints which had been made to the Legation by Messrs. Fearon, Yow & Co., of Shanghai, in reference to the repayment of drawbacks by the Customs' authorities.

I have had some correspondence

correspondence with Sir Robert Hart, on the subject, in the hope that we might come to an agreement that would satisfy the merchants, and at the same time be agreeable to the Chinese authorities. Sir Robert Hart, as the head of the Imperial Customs Service, is willing as you will see in his letter which I enclose, to favour a rule directing that all drawbacks, no matter for what kind of duty, may at the option of the merchants, be exchanged for cash.

Such a rule would in my opinion be equitable. I have addressed a note to the Yamên, requesting it to be made, and

am

am in hopes that the assent of the Inspector General of Customs, will remove any objections to it on the part of the Cabinet.

I have the honour to be,

Sir,

Your obedient Servant.

Jno. Russell Young.

Enclosures.

1. Mr. Cheshire to Mr. Young.
   No. 154. 3rd March, 1883.
2. Sir Robert Hart to Mr. Young.
   13th March, 1883.
3. Mr. Young to Prince Kung.
   22nd March, 1883.

Despatch No. 169.
Enclosure 1.

No. 154.

Mr. Cheshire to Mr. Young.

Shai. 3rd March, 1883.

Sir,

In answer to your despatch no. 48. I have the honour to enclose copy of a communication which I have rec'd from Messrs. Fearon Dowboy., in the matter of duty drawbacks.

I have the honour to acknowledge the receipt of your no. 49.

I am &c.—

(signed) H. D. Cheshire.

Enclosure - Messrs. Fearon Dowboy.-

Messrs. Fearon, Dowse to Mr Chesterie.

Shai, February, 28th, 1883.

Dear Sir,

We beg to thank you for your despatch of yesterday with reference to duty drawbacks and in reply to your enquiries we would say that we do not import Hides but purchase them on the market here the native dealers having paid duty on them at Hankow, and the custom of the trade is for the buyer to receive the drawback.

Article XLIV of the British Treaty of 1858 distinctly states that "drawback certificates shall be a valid tender to the Customs in payment of import or export duties," and if this were enforced all the trouble complained of would be removed. In practice however, the drawback on goods re-exported is not handed to the shipper until nearly three months after

after it is due, and 2½ is refused by the Customs in payment of duty except for duty on some special articles. The draw-back certificates are not saleable on the market except at a discount — and the only way to make use of them at all is to find a friend who has no duties to pay on the special articles for which the Customs will receive these certificates in payment of duty, and to wait for the chance of getting the value of them sooner or later. The same applies to all articles bought here for re-export, such as Camels-hair. Wool- Goat skin Rugs &c. —

The simple and natural remedy would be to make these drawback certificates payable in cash at the Customs Bank, or if that is too great a change from the Treaty, then to enforce the Treaty stipulations and Compel the Customs to receive them in payment for any import or re-export duties.

These

These certificates represent over-paid duties which ought to be re-funded immediately and promptly to the merchant, whereas not only is their issue delayed, but their availability is restricted in violation of the Treaty.

We are &c.—

(Signed) Hearn, Dowse & Co.

Despatch No. 169.
Enclosure 2.

Sir Robert Hart to Mr Young.-

13th March, 1883.

Dear Mr Young,

Thank you for — letting me see Pearson, Dowson's reply (of which I have kept a copy). The firm writes on the general question fairly enough, and I have no objections to make to its argumentation or its remarks; but the complaint, as a matter of fact, appears to me to fall short of being founded on a real mercantile grievance. Were I the Yamên to ask my advice, I should talk very much in the sense of F. L. Hsü's letter about the question in the abstract: but in dealing with the facts (H'Kow, S'Hai, River Steamers, Revenue &c. &c. &c.) I might have to give a body to form — and you know that, however easily in abstract space may be manipulated in thought, once one has to draw a form, and give form body, — limitations -

limitations come in that can't be got over: this is the reason that lies at the bottom of much that non-practical men consider unreasonable, and it has a great deal to do with Riverine Rules generally.

Yours very truly,

(Signed) Robert Hart.

P.S.

I return the despatch + remain

(Sd.) R.H.

14th March. 1883.

Dear Mr. Young.

Regarding the 'drawback question' - I do not think I have anything to add to the long letter I wrote on the 5th Feb: - my object in writing that letter was to assist you in bringing your knowledge of the question up to the point at which F. L. Hbo's application appears.

The practice is connected with a rule regarding revenue a/c, which requires attention to be reported -

under

under its appropriate headings: —
Import Duty, Export Duty, Opium Duty, —
Coast Trade Duty, Transit Dues, Tonnage
Dues: There six classes of moneys being
dealt with according to their destinations
(Provincial Chest) Imperial Chest, I. G's a/c,
or mixed) of which there are four. Hence
the duties deposited at N'Kow on Hides as
Coast Trade Duties cannot be refunded
at S'Nai, and at N'Kow can only be
refunded either by being made repayable
in silver (of which plan I am in favour)
or by being repaid by deductions from
future Coast Trade Duties (a plan seemingly
required by the nature of the local a/c,
and also supported by the fact that
the amounts are small and the in-
convenience to merchants, i.e. loss,
very trifling compared with the great
advantage to the public gained in —
expediting the movements of Steamers
through this deposit system — a —
system which I invented, but which
local doings crippled).

To

To force the local officials to recognize a change of rule, the change must go out from the Yamen: it will therefore be necessary for you to take the matter there. The simplest way of rising it would be for you to request the Yamen to rule that all drawbacks, no matter for what kind of duty, may, at the option of the merchant, be exchanged for cash: I'll support this, and you will avoid the bigger question in concerning manufactures &c &c.—

Yours faithfully
(Sd) R. H. Lay.

Mr. Young to Mr. Cheshire.

No. 57. March 21st, 1883.

Sir,

As a further reference to my despatch No. 48. I have the honour to say that the Legation has had some correspondence on the subject with Sir R. Hart. I. G. etc.—

The result of this correspondence is that I have addressed a note to — Sonnie Kuney asking that the rules be so amended that all drawbacks, no matter for what kind of duty, may at the option of the merchants be exchanged for cash

The I. G. is willing to support this proposed change, and I am in hopes that the Government will not oppose it.

I trust that such a rule will meet all the objections of Messrs. Pearson. Lowrbo. and add to the convenience of their business

I am etc.

(Sd.) John Russell Young.

Despatch No. 169.
Enclosure 3.

No. 15/1883.

Mr. Young to Prince Kung. -

March. 27th, 1883.

Y. I. H.

I have the honour to call the attention of Y. I. H. to certain complaints which have been made to this Legation by citizens of the United States doing business in China in regard to the delays and difficulties in the payment of drawbacks issued by the Customs Authorities for the duties on goods re-exported. It is alleged that the drawback certificate is frequently not issued until several months after the drawback becomes due, and that it is refused by the Customs in payment of duty except on some specific articles, and that much in-

convenience

convenience and Embarrassment results to the merchants concerned.

These certificates represent over paid duties, and it would appear that the amounts which they involve should be promptly refunded to the holders of them. I beg therefore to beg of for the consideration of H. E. H. that instructions be issued to the Customs Banks at the Open ports to the effect that these certificates shall be payable in cash upon presentation. Such a procedure would appear to involve no trouble or harm to the revenue and would greatly promote the convenience and interests of both Chinese and foreign merchants.

Trusting that H. E. H. will see your way to issue orders to the effect as above. —

I have &c. —

(Sd.) John Russell Young.

rec'd. May 24 1883

Confidential

No. 170. One Enclosure.

Legation of the United States.

Peking, March 24th, 1883.

DEPARTMENT OF STATE
MAY 24 1883
RECEIVED

John Russell Young to the Secretary of State.

Subject.

Korean affairs.

Synopsis.

Refers to despatch number 101., and forwards a copy of a private letter from Mr. H Inouye, giving a view of the policy of Japan in regard to Korea. Summary of Mr. Young's response.

No. 140. One Enclosure.

Confidential.

Legation of the United States.
Peking, 24th March, 1883.

To the,
Honourable Fred.k T. Frelinghuysen.
Secretary of State.

Sir,

In my despatch No. 1011. I sent you a copy of a private letter from Mr. Yoshida, the Japanese Vice Minister for Foreign Affairs. I have now the honour to enclose you a letter received from His Excellency Mr. Inouye, the Foreign Minister. 1/17th.

The

The frank expressions of opinion by the Foreign Minister, as to the purposes of Japan towards China, will be read with interest, but not without uneasiness. My hope still remains, that Japan will take no step in Corean affairs, without consulting with the signatory powers to the recent Corean Convention. So long as she adopts this policy she will be under a conservative, restraining influence, which will naturally tend to peace.

Mr Inouye notes the existence of the two parties in Corea one in favour of Independence, the other disposed to be dependent upon China.

In

In acknowledging Mr Inouye's letter, I ventured to suggest to Japan, the wisdom of allowing these two parties to settle the question of independence among themselves. The aspiration for freedom was the natural, primitive instinct of any people, and it would grow in Corea, as her people and their rulers came more in contact with western civilization. - I said further that unless China made some aggressive movement on Corea, which would destroy her independence, and make it impossible for the King to keep his covenant, the outside powers might leave the question of the relationship of Corea to China

to

to time and the influences of home politics.

I ventured to His Excellency the suggestion that the party of independence in Corea, could have no stronger support than what came from the Treaty. The mere fact that the Convention was signed with the King, shows that England, Germany and the United States regard him as a sovereign and not as a provincial viceroy. I did not think the Western powers would respect any secondary or reciprocal Convention between China and Corea, that would vitiate this.

My purpose in thus advising the

the Foreign Minister was to dissuade
him from making those "demands"
upon China for explanations to —
which he refers in his letter. I know
that any such demand would be-
met by the Viceroy in a manner —
that would add bitterness to the —
already existing feelings of distrust.
Whatever contributes to prolong —
peaceable relations between China-
and Japan strengthens the hope
of an ultimate understanding. —
Corea under her new Treaties may,
like Siam, be allowed to manage
her own affairs. Her existence as
an Independent and friendly —
neighbour, is no more of a menace
to China than Belgium to France

or

or Holland to Germany. On the contrary I should be disposed to view it as a source of strength and confidence alike to China and Japan.

I have the honour to be,

Sir,

Your obedient Servant

Mr. Consul Young.

Enclosure.

1. H.E. Mr. Inouye Kaori to Mr. Young.

February 2nd, 1883.

Despatch No. 170.
Enclosure.

Mr. Inouye to Mr. Young.

Strictly Confidential.

Foreign Office.
Tokio, February 25th, 1893.

My dear Mr. Young,

Mr. Yoshida who is now absent at Atami for the benefit of his health, has forwarded to me your interesting and valued letter of Dec. 30th and having no conveniences at hand for writing English, he requested me to answer your letter.

In complying with his wishes I desire in the first place to thank you most sincerely for the courtesies you have extended to Admiral Enomoto and for your endeavours to bring about a better understanding between Japan and China which I need hardly repeat we are most anxious

anxious to secure consistently with our own dignity and honour.

Your recommendation to act jointly with the other signatory powers regarding the Corean matters, I am happy to say, entirely agree with my view.

You may possibly have wondered why I have not yet made any demonstrations to China regarding her strange and contradictory actions towards Corea, but although I was not unmindful of the necessity of entering a protest against her pretentions, I nevertheless thought it best to await the time when we were in a position to do so more effectually and in conjunction with other powers. I have therefore watched with a feeling of great concern the action of the U. S. Senate with reference to the Shufeldt Treaty as I believed the

ratification

ratification of that treaty would have the effect of materially strengthening our position and that of Corea against China and enabling us to work jointly with the United States - I am glad to know that my views entirely agree with yours in regard to the recently concluded Trade Regulations between China and Corea. There can be no question that the United States are entitled to the same privileges by virtue of the "most favoured nation" clause in the Treaty, and I am persuaded that Japan too might find some method by which she can participate in the same privileges. At all events when the American Commissioner goes to Corea to exchange the ratification and obtain for the United States the same privileges recently secured by China, Japan will immediately follow the same

steps

steps and also demand the same favours.

Upon such demand being made, by the two countries, however, I am afraid the Chinese agents at Seoul will bring their influence to bear upon the Corean Government to make it to plead her peculiar relations with China and to avoid to grant these privileges; or the Chinese may go even further by openly declaring Corea as her dependency and opposing our demand. We are however bound to resist such pretentions if we are consistent with our treaty obligations with Corea. Whatever may have been the relations between China and Corea, though China may have received certain tokens of homage from Corea, since the latter has made an independent treaty with Japan, which was made without the intervention of China and

solemnly

solemnly declared herself free in her internal administration and foreign intercourse, which — declaration was made with the knowledge advice and consent of — China to the United States, England and Germany, it appears to me we are bound to cause her to abide by those acts and — declarations.

The King of Corea, I am informed is quite tired of the — Chinese interference and desires to get rid of it, and although — Chorcetka, and other few who were awed by Li Hung Chang's threats have made so many and grave blunders yet Bukuyeiko, the late Corean Ambassador to Japan and many others, — understand the wishes of the — King and share his views. The nation is divided into two — parties. The one favouring —

of

of Chinese suzerainty and the other complete independence.

The principles of the two parties are so diametrically opposed to each other that the conflict which has followed the opening of the other countries, is by the most well informed Coreans thought inevitable. If it comes I am sure we agree that our support should be given to the party of progress.

I may be permitted to add that in desiring the independence of Corea, Japan has no other design but her own security and peace and welfare of the whole of Asia. As you are aware China is a very difficult Power to deal with, not only for Japan but for all other nations also. Should the Corean peninsular become a part of that Empire, its Geographical position if made

a

a good use of, would very much endanger our security. Our own security and the peace and welfare of the whole of Asia both therefore render the independence of Corea very desirable. My desire for the independence of Corea, however, does not go so far as to break off the ceremonial intercourse which has so long been observed with her neighbour, as I do not regard the existence of those empty formalities inconsistent with Coreas exercise of her sovereign rights and statutes.

I shall anxiously await the result of your inquiries of General Halderman. I should also like to know your views regarding Tongking, if you will be good enough to let me have them. Here we have nothing reliable touching the

situation

situation in the South.

Believe me,

my dear Mr. Young.

Yours sincerely,

(Signed) Mowse Kaori.

Acted in No 04 file Order

File

writing

No. 171.

Legation of the United States.
Peking, March 24th, 1883.

DEPARTMENT OF STATE
MAY
24
1883
RECEIVED

John Russell Young to
the Secretary of State.

Subject.

Changes in the Foreign Office.

Synopsis.

Notes recent changes in the Foreign Office. Difficulties in the way of the transaction of business. Complaints of the several Legations.

No. 141.

Legation of the United States.
Peking, 24th March, 1883.

To the,
Honourable Fred.k T. Frelinghuysen.
Secretary of State.

Sir,

There have been some recent changes in the cabinet which may not be without interest to the — Department. Wu Ting Fen has been appointed to the Yamên in — place of Wang, whose retirement — was noted in my despatch No. 136. Prince Kung still remains an —

2 invalid —

invalid, but as I was informed at the Yamên hopes to return to office next month. Li Hung Chang has been granted a leave of absence for two months to take part in the ceremonies attending the burial of his mother.

The absence of these two statesmen from the Government cannot fail to add to the embarrassments which attend all intercourse with the Chinese cabinet. The difficulty of transacting any business even the simplest is constantly seen. A note may be addressed by the Legation to the Foreign Office in reference to some question of minor importance, and weeks will elapse before

before an answer is received. The answer will most likely be evasive and unsatisfactory. If any pretext for delay can be found it will be seized. The favourite method is to refer the question to some distant viceroy, and "await explanations". The result is negatory. This habit of evasion and procrastination has increased since the retirement of Wang.

Let me give some illustrations in point. The diplomatic body addressed a joint note to the Yamên upon the question of manufactures, dated November, 18th. The answer came January, 22nd. In union with the British, German and Japanese Legations I wrote in reference to the

impost

import on soft wood planks on the 27th January. To this despatch no reply has been received. On the 24th January I called attention to certain regulations regarding tonnage dues on cargo-boats, but I have received no answer. These notes were upon questions affecting the minor details of the Customs Service, and in no way involving an important principle. They could have been answered by any practical, clear-headed statesman in a day.

Part of this conduct comes from timidity, and part I presume from ignorance. The official tenure of a minister's life is so uncertain that he shrinks from any responsibility

that

that may bring upon him the criticism of a censor, and the fatal rebuke of the throne. There is no responsible foreign minister. Prince Kung was the nearest approach to such a dignity, but Prince Kung is not in office, and it is doubtful if he will ever return. Since the Prince's withdrawal the tendency of the Foreign Office has been to send important questions to Li Hung Chang. That however is inconvenient. Li Hung-Chang is at Tientsin 80 miles away, and although holding the highest rank, is not a responsible member of the central Government. Li Hung Chang likewise although the ablest of all the Chinese statesmen is

exposed

exposed to the danger of an Imperial Decree which in an hour might reduce him to beggary and turn him over to the common headsman. This fear makes him diffident and apprehensive, and as was seen in our negotiations with him on the claims, declining to take the slightest responsibility without instructions from the Yamên.

In all personal matters nothing could be more agreable than our relations with the ministers of the Yamên. There is no lack of cordiality or of a willingness to oblige. I have never had an idle or a discourteous word from any minister.

The

The system however, is so pernicious, that foreign governments who value their diplomatic intercourse with China should insist upon a change. There should be a recognised minister who could speak for the Government, and not a company of gentlemen, trying to evade every function. There should be a properly arranged Foreign Office, whose business could be transacted with satisfaction, and not as now an unpalpable, insubstantial, irresponsible body called the Yamên, which confers with you in a small dingy room unworthy of the dignity of any Government and not respectful to the Governments in diplomatic

relations

relations with China.

It is only fair to China to bear in mind the fact that diplomatic intercourse with foreign nations is a novelty and we must not expect the finished and perfect forms which prevail in the Western Capitals. Not many years have passed since a Chinese Emperor issued an "Imperial mandate" to the Sovereign of England, complimenting him on his "profound respect and due obedience", sending him some trifles as a proof of tenderness and indulgence, and encouraging him to "pour out his heart in dutiful obedience". The rulers still hold to the legend that the Emperour is master of the Universe,

and

and concede nothing that interferes with that pretension except what the Treaties compel.

My judgment is that the Foreign Governments should bring such a pressure upon the Chinese Cabinet as would lead to a change in the system. It would be for the advantage of China no less than for the Governments in relations with China.

In making this communication to the Department I am repeating the opinion prevalent in the diplomatic body. I have reason also to believe that representations of this character have been made to other Governments

Governments by their Ministers
resident in Peking.

I have the honour to be,

Sir,

Your obedient servant.

Thos. Rumbold Grump

No. 172.

Legation of the United States,
Peking, March 24th, 1883.

DEPARTMENT OF STATE
MAY
24
1883
RECEIVED

John Russell Young to
the Secretary of State.

Subject.

Receipt of instructions.

Synopsis.

Department instructions numbers 82. 83. and 84. and circular of January 25th, have been received.

No. 172.

Legation of the United States.

Peking, March 24th, 1883.

Honorable F. T. Frelinghuysen.

Secretary of State.

Sir:

I have had the honor to receive Department instructions numbers 82. 83. and 84, and also Circular of January 26th, ultimo in regard to the Boston Exposition.

I have the honor to be,

Sir,

Your obedient servant.

[signature]

1 One Enclosure.

Legation of the United States.

Peking, March 31st, 1883.

DEPARTMENT OF STATE
MAY
24
1883
RECEIVED

Chester Holcombe to
the Secretary of State.

Subject.

Salary account.

&

Synopsis.

Forwards statement for the quarter ending March 31st, 1883.

FM

One Enclosure.

Legation of the United States.

Peking, March 31st, 1883.

Honorable F. T. Frelinghuysen.

Secretary of State.

Sir:-

I have the honor to enclose herewith a statement 1/a of my account for salary for the quarter ending this day. A duplicate will be forwarded by the next mail.

You will notice that I have credited the Government with the outturn of my draft of December 31st, 1882. for loss by exchange up to that date.

I

I have the honor to be,
Sir,
Your obedient servant.
Chester Holcombe
4

Enclosure.

1. Salary account for quarter ending March 31st, 1883.

No. 173. One Enclosure.

Legation of the United States.

Peking, March 31st, 1883.

DEPARTMENT OF STATE
MAY 24 1883
RECEIVED

John Russell Young to the Secretary of State.

Subject.

Legation rent account.

Synopsis.

Covers rent account for the quarter ending March 31st, 1883.

No. 173. One Enclosure.

Legation of the United States.
Peking, March 31st, 1883.

Honorable F. T. Frelinghuysen.
Secretary of State.

Sir:—

I have the honor to forward herewith a statement of the rent account of this Legation for the quarter ending this day. 1/173.

I have the honor to be,
Sir,
Your obedient servant.

Jno. Russell Young

Enclosure.

Enclosure.

1. Rent account for the quarter ending March 31st, 1883.

No. 174. One Enclosure.

DEPARTMENT OF STATE
MAY
24
1883
RECEIVED

Legation of the United States.

Peking, March 31st, 1883.

John Russell Young to
the Secretary of State.

Subject.

Salary account.

Synopsis.

Forwards statement for the quarter ending March 31st, 1883.

TM

No. 174. One Enclosure.

Legation of the United States.

Peking, March 31st, 1883.

Honorable F. T. Frelinghuysen
Secretary of State.

Sir:

I have the honor to forward herewith a statement of my account for salary for the quarter ending this day. 1/174.

I have the honor to be,
Sir,
Your obedient servant.

Enclosure.

Enclosure.

1. Salary account for the quarter ending March 31st, 1883.

No. 175. One Enclosure.

Legation of the United States.

Peking, March 31st, 1883.

DEPARTMENT OF STATE
MAY 24 1883
RECEIVED

John Russell Young to the Secretary of State.

Subject.

Incidental expense account.

Synopsis.

Forwards statement for the quarter ending March 31st, 1883.

F.M.

No. 175. One Enclosure.

Legation of the United States.

Peking March 31st, 1883.

Honorable F. T. Frelinghuysen,

Secretary of State,

Sir:—

I have the honor to enclose herewith a statement of the incidental expense account of this Legation for the quarter ending this day. 1/175.

I have the honor to be,

Sir,

Your obedient servant.

Jno. Russell Young

Enclosure.

Enclosure.

1. Incidental expense account for the quarter ending March 31st ult. 1883.

Requisition for stationery May 8. 1883 Ord. & Sup.
Received in Bureau May 29. 83 Ord. Clk.

recvg

No. 176. One Enclosure.

Legation of the United States.

Peking, March 31st, 1883.

DEPARTMENT OF STATE MAY 24 1883 RECEIVED

John Russell Young to the Secretary of State.

Subject.

List of stationery needed.

Synopsis.

Covers list as above, and requests that it be sent forward as soon as possible.

No. 176. One Enclosure

Legation of the United States.

Peking, March 31st, 1883.

Honorable F. T. Frelinghuysen

Secretary of State.

Sir:—

I have the honor to submit herewith a statement of the stationery needed for the Legation, and beg that it may be forwarded as speedily as possible. 1/176

I have the honor to be,

Sir,

Your obedient servant

Frederick Low

Enclosure.

1. List of stationery needed.